







Government of Canada

Gouvernement du Canada

Prepared by the Receiver General for Canada

public accounts of canada



Volume I

Summary Report and Financial Statements

Canadä



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public accounts of canada



Volume I

Summary Report and Financial Statements

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To His Excellency

The Right Honourable Ramon John Hnatyshyn, P.C., C.C., C.M.M., C.D., Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

The undersigned has the honour to present to Your Excellency the Public Accounts of Canada for the year ended March 31, 1990.

All of which is respectfully submitted.

Gilles Loiselle, President of the Treasury Board.

OTTAWA, OCTOBER 2, 1990

To The Honourable Gilles Loiselle, President of the Treasury Board.

In accordance with the provisions of Section 64(1) of the Financial Administration Act, I have the honour to transmit herewith the Public Accounts of Canada for the year ended March 31, 1990, to be laid by you before the House of Commons.

Respectfully submitted,

Paul Dick, Receiver General for Canada.

To The Honourable Paul Dick, Receiver General for Canada.

Sir:

I have the honour to submit the Public Accounts of Canada for the year ended March 31, 1990.

Under Section 64(1) of the Financial Administration Act, the Public Accounts for each fiscal year shall be prepared by the Receiver General and shall be laid before the House of Commons by the President of the Treasury Board on or before the thirty-first day of December next following the end of that year, or if the House of Commons is not then sitting, within the first fifteen days next thereafter that the House of Commons is sitting.

This annual report is presented in three volumes:

Volume I—A financial overview and a ten-year summary of the Government's financial transactions; the financial statements of Canada on which the Auditor General has expressed an opinion, namely, the statements of transactions, of accumulated deficit, of revenue and expenditure, of the assets and liabilities of Canada, and of changes in financial position together with related notes; analyses of budgetary revenue and expenditure, and of asset and liability accounts; and various other statements.

Volume II—Details of the financial operations of the Government, segregated by ministry (Part I); and additional information and analyses (Part II).

Volume III—Contains an annual consolidated report on the businesses and activities of all parent Crown corporations together with a listing of all Crown corporations and other corporate interests of Canada.

The audited financial statements, contained in Volume I, are for the year ended March 31, 1990.

Respectfully submitted,

Alan Ross, Acting Deputy Receiver General for Canada.

OTTAWA, OCTOBER 2, 1990

OTTAWA, OCTOBER 2, 1990

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volume 1

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INTRODUCTION TO THE PUBLIC ACCOUNTS

Nature of the Public Accounts

The Public Accounts is the report of the Government of Canada prepared each fiscal year by the Receiver General as required by Section 64 of the Financial Administration Act.

The report covers the fiscal year of the Government, which ends on March 31, and is prepared from data contained in the accounts of Canada and from more detailed records maintained in departments and agencies. The accounts of Canada is the centralized record of the Government's financial transactions maintained by the Receiver General in which the transactions of all departments and agencies are summarized. Each department and agency is responsible for reconciling its accounts to the control accounts of the Receiver General, and for maintaining detailed records of the transactions in their accounts.

The report covers the financial transactions of the Government during the year. In certain cases, parliamentary authority to undertake transactions was provided by legislation approved in earlier years.

Format of the Public Accounts

The Public Accounts is produced in three volumes.

Volume I presents a summary analysis of the financial transactions of the Government. Its content is summarized as follows:

SECTION 1: financial overview and a ten-year summary of the Government's financial transactions;

SECTION 2: audited financial statements of the Government of Canada, prepared in accordance with Section 64 of the Financial Administration Act;

SECTION 3: review of budgetary revenue;

SECTION 4: review of budgetary expenditure;

SECTION 5: analysis of consolidated accounts;

SECTION 6: analysis of loans, investments and advances:

SECTION 7: analysis of specified purpose accounts;

SECTION 8: analysis of other liabilities;

SECTION 9: analysis of foreign exchange accounts;

SECTION 10: analysis of unmatured debt; and,

SECTION 11: analysis of other information related to the financial statements.

Volume II is published in two parts. Part I presents the financial operations of the Government, segregated by ministry while Part II presents additional information and analyses.

(a) PART I

Part I is designed to reflect as closely as possible the form and content of Part II of the Main Estimates. Most tables and statements in Part I display the source and disposition of spending authorities. The content of Part I is summarized as follows:

(i) Summary Tables (Section 1)

Section 1 includes tables which provide summaries of the financial operations contained in the ministerial sections. It also includes, as appendices, the full wording of all authorities granted in current year Appropriation Acts, of all authorities granted by statutes other than Appropriation Acts, of all non-lapsing authorities granted in the current year, and of all authorities available from previous years.

(ii) Ministerial Sections (Sections 2 to 30)

There is one section for each ministry. The programs for the departments and agencies for which a Minister is responsible to Parliament are grouped together to provide a total ministry presentation. Each ministerial section provides a statement of program objectives and activity descriptions. Each ministerial section also includes, where applicable, a uniform set of statements to present each ministry's financial operations. These statements are:

• Ministry Summary

This statement displays by program the source and disposition of each budgetary and nonbudgetary authority granted by Parliament in Appropriation Acts and other statutes.

• Programs by Activity

This statement displays by program the source and disposition of authorities for each activity under each type of expenditure (operating, capital, transfer payments and non-budgetary).

• Transfer Payments

This statement displays by program the source and disposition of authorities for each transfer payment.

• Details of Amounts Credited to the Vote

This statement displays by program the nature of revenues and receipts which increase the amounts which may be spent from appropriations having net voting authority.

• Revenue

This statement displays by program the nature of revenue collected for each main classification of revenue.

(b) PART II

Part II presents additional information and analyses. The content of Part II is summarized as follows:

- financial statements of revolving funds (Section 1);
- financial statements of departmental corporations and other entities (Section 2);

- supplementary information required by the Financial Administration Act (Section 3);
- accounts receivable (Section 4);
- professional and special services (Section 5);
- construction and/or acquisition of land, buildings, works, machinery and equipment (Section 6);
- transfer payments (Section 7);
- public debt charges (Section 8);
- payments of damage claims, ex gratia payments, Federal Court awards and nugatory payments (Section 9);
- federal-provincial shared-cost programs (Section 10);
- other Government-wide information (Section 11); and,
- other miscellaneous information (Section 12).

Volume III contains an annual consolidated report on the businesses and activities of all parent Crown corporations together with a listing of all Crown corporations and other corporate interests of Canada.

section 1

1989-90 PUBLIC ACCOUNTS

Financial Overview and Supplementary Financial Information

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INTRODUCTION

This section provides an overview of the financial operations of the Government of Canada. The financial statements of the Government are set out in summary form, with comparative figures for the previous ten years. The financial transactions are presented in accordance with the accounting policies explained in Note 1 to the audited financial statements in Section 2 of this volume.

The statements reflect the accounting basis introduced in the February 1986 Budget, whereby the transactions of certain specified purpose accounts and other accounts are reported as part of budgetary transactions rather than non-budgetary transactions. These include the Unemployment Insurance Account, the Western Grain Stabilization Account, the Crop Reinsurance Account, the Agricultural Commodities Stabilization Accounts, and other specified purpose accounts. The February 1986 Budget changes also recorded the profits of the Exchange Fund Account on a current basis, concessionary loans to developing countries as budgetary expenditures and reported expenditures net of transactions internal to the Government.

With the release of these financial statements, the Government is introducing a number of additional accounting changes. These include the consolidation of the financial activities of certain Crown corporations, the establishment of an allowance for the actuarial deficiency of the indexed portion of the Government's employee pension accounts, and the establishment of an allowance for general contingencies in the light of evolving international strategies to address the international debt problem. These accounting changes are in response to the reservations expressed by the Auditor General on the Government's financial statements and address the recommendations of the Standing Committee on the Public Accounts. In addition, non-tax revenue is now being recorded on an accrual basis and outstanding federal bonds issued to the Canada Pension Plan Account are now classified as part of unmatured debt transactions rather than as part of non-budgetary transactions. The financial statements for prior years have been adjusted fully to reflect all these accounting changes.

1989-90 - THE YEAR IN RETROSPECT

This part presents an overview of the Government's financial operations. More details are provided under "Supplementary Financial Information" in this section and in the remainder of this volume.

The Deficit and Net Debt

The deficit for fiscal year 1989-90 was \$28,996 million, an increase of \$45 million from the 1988-89 deficit of \$28,951 million and a decline of \$9,516 million from the peak recorded in 1984-85. The increase in the deficit in 1989-90, from that recorded in 1988-89, was primarily due to the transitional impact of the June 1987 tax reform, affecting personal income tax collections, and the impact of higher interest rates on debt servicing costs, which were up \$5,651 million, or 17.0%, over 1988-89. As a percentage of Gross Domestic Product (GDP), the deficit has declined from a peak of 8.7% in 1984-85 to 4.4% in 1989-90.

With the deficit increasing to \$28,996 million in 1989-90, the accumulated deficit, or net debt, stood at \$357,961 million as of March 31, 1990. This represents an increase of 8.8% above the March 31, 1989 level of \$328,965 million, and marks only the second time in the past fifteen years that the growth in net debt has been less than 10%.

Table 1.1 sets out the deficit and net debt over the last ten fiscal years, both in absolute terms and as a percentage of GDP (GDP figures relate to the calendar years ending in those fiscal years). Chart A compares the rate of growth of net debt with the

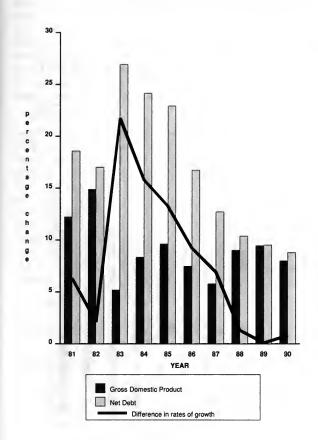
rate of growth of GDP for the last ten fiscal years. The data for prior years have been adjusted to incorporate the effects of the accounting changes outlined above.

TABLE 1.1
DEFICIT AND NET DEBT
(in millions of dollars)

| Year ended March 31 | Budgetary deficit | % of Gross Domestic Product | Net debt | % of Gross Domestic Product |
|---------------------|----------------------|-----------------------------------|----------|-----------------------------------|
| 1981 | 14,303 | 4.6 | 90.987 | 29.4 |
| 1982 | 15.541 | 4.4 | 106,528 | 29.9 |
| 1983 | 28,734 | 7.7 | 135,262 | 36.1 |
| 1984 | 32,723 | 8.1 | 167,985 | 41.4 |
| 1985 | 38,512 | 8.7 | 206,497 | 46.4 |
| 1986 | 34,583 | 7.2 | 241,080 | 50.4 |
| 1987 | 30,733 | 6.1 | 271,813 | 53.8 |
| 1988 | 28,201 | 5.1 | 300,014 | 54.4 |
| 1989 | 28,951 | 4.8 | 328,965 | 54.5 |
| 1990 | 28,996 | 4.4 | 357,961 | 54.9 |

CHART A

GROSS DOMESTIC PRODUCT AND NET DEBT



Factors Affecting the Deficit

The increase in the deficit in 1989-90 was primarily due to the transitional impact of the June 1987 tax reform, and the impact of interest rate developments on public debt charges. Interest rates rose significantly during the latter half of 1988-89 and remained high throughout 1989-90. Given the stock of debt, the compounding impact of these interest rate developments resulted in significantly higher public debt charges in 1989-90. Public debt charges increased by \$5,651 million in 1989-90, an increase of 17.0%, following an advance of 14.3% in 1988-89. Largely offsetting the impact of this increase in public debt charges on the deficit were the effects of the continued strength in the economy and the discretionary policy actions introduced in past budgets, which increased budgetary revenues and restrained the growth in program spending.

Budgetary revenues in 1989-90 amounted to \$113,707 million, an increase of 9.3% from the level reported in 1988-89. The increase in 1989-90 largely reflects the continued strength in the underlying tax bases, which has accompanied the growth in the economy, and fiscal measures introduced in past budgets, especially those introduced in the April 1989 Budget.

Personal income tax revenues, the largest component of budgetary revenues, increased by 12.8% in 1989-90, up significantly from the advance of only 2% recorded in 1988-89. The year-over-year increase in personal income tax revenues was distorted by the transitional impacts of tax reform. Personal income tax reform, which became effective January 1, 1988, significantly lowered the statutory tax rates, broadened the tax base by reducing tax preferences, and relieved an additional 850,000 lower-income tax Canadians from paying federal personal income tax through the conversion of tax exemptions into tax credits. As a result, despite a strong growth in employment and personal income, the overall increase in personal income tax revenues was significantly dampened in 1988-89 by the impact of tax reform. However, the results for fiscal year 1988-89 did not reflect the full impact of tax reform, as the withholding tables for source deductions were not changed until July 1, 1988. The delay in adjusting the withholding tables has resulted in larger tax refunds in 1989-90. This impact on personal income tax revenues, however, was offset by the one-time impact of the acceleration initiatives affecting source remittances from large employers and tax instalments from quarterly filers. Adjusting for the impact of these factors, the underlying growth in personal income tax revenues continued to reflect the strength in the economy.

Also contributing to the overall rise in budgetary revenues in 1989-90 were increases in corporate income tax revenue, excise taxes and duties and in non-tax revenue. Corporate income tax revenue rose 11%, despite a decline in corporate profits. The increase was largely attributable to the impact of tax reform introduced in 1988, the introduction of the Large Corporation Tax, and the one-time impact of the acceleration of tax instalment payments. Excise taxes and duties advanced by 9.3%, with most of the increase attributable to the increases in the tax rates introduced in the April 1989 Budget. Non-tax revenue increased by 11.9%, largely reflecting the one-time impact of the net proceeds from the sale of the Air Canada shares and the seigniorage from the sale of the new dollar coins. In contrast, unemployment insurance premium contributions declined by 4.7%, due solely to the reduction in the premium rates in calendar year 1989.

Total budgetary expenditures increased by 7.3% in 1989-90, up from the advance of 5.7% recorded in 1988-89. Of the nearly \$10 billion increase in budgetary expenditures between 1988-89 and 1989-90, 58.3% was attributable to higher public debt charges. Public debt charges, which accounted for 27.2% of total budgetary expenditures in 1989-90, advanced by 17.0%. In contrast, program spending increased by 4.0% in 1989-90, well below the rate of growth in the economy and less than the increase in the rate of inflation, as measured by the consumer price index.

45% of the growth in program spending was attributable to a 6.0% increase in major transfers to persons. This component, which includes elderly benefit payments, unemployment insurance benefits and family allowances, among others, is largely demand-driven or formula-funded. The increase in 1989-90 largely reflects the impact of inflation on the indexation formula and to a lesser extent the changes in underlying population bases. Major transfers to other levels of government advanced by 5.5%, in large part due to increased transfer payments to lower-income provinces under the equalization program and for the cost-sharing social assistance programs under the Canada Assistance Plan. The April 1989 Budget reduction measures restrained the growth in spending in Defence and External Affairs and Aid, as well as in direct transfers to major Crown corporations. All other program spending increased by only 1.9%, largely due to developments in the agricultural and energy sectors, coupled with continued restraint measures affecting the operations of government.

Table 1.2 sets out the levels and changes in revenues, expenditures and the deficit over the last ten years.

TABLE 1.2

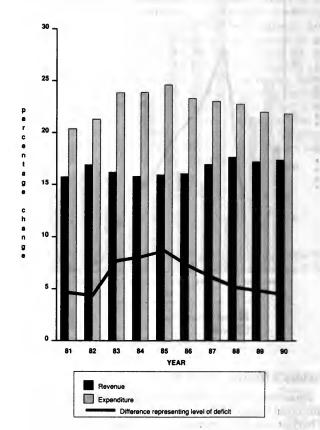
REVENUE, EXPENDITURE AND THE DEFICIT (in millions of dollars)

| | | % change over preceding | | % change over preceding | |
|---------------------|---------|-------------------------------|-------------|-------------------------------|---------|
| Year ended March 31 | Revenue | year | Expenditure | year | Deficit |
| 1981 | 48,867 | 16.6 | 63,170 | 18.3 | 14,303 |
| 1982 | 60,307 | 23.4 | 75,848 | 20.1 | 15,541 |
| 1983 | 60,662 | 0.6 | 89,396 | 17.9 | 28,734 |
| 1984 | 64,168 | 5.8 | 96,891 | 8.4 | 32,723 |
| 1985 | 71,056 | 10.7 | 109,568 | 13.1 | 38,512 |
| 1986 | 76,933 | 8.3 | 111,516 | 1.8 | 34,583 |
| 1987 | 85,931 | 11.7 | 116,664 | 4.6 | 30,733 |
| 1988 | 97,612 | 13.6 | 125,813 | 7.8 | 28,201 |
| 1989 | 104,067 | 6.6 | 133,018 | 5.7 | 28,951 |
| 1990 | 113,707 | 9.3 | 142,703 | 7.3 | 28,996 |

Chart B compares the levels of revenue and expenditure, expressed as a percentage of GDP, over the last ten years and shows the trend in the deficit over that period.

CHART B

REVENUE AND EXPENDITURE AS A **
PERCENTAGE OF GROSS DOMESTIC PRODUCT



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Factors Affecting Financial Requirements

The Government's net financial requirements reflect not only the difference between budgetary revenues and expenditures, but also the net source of funds generated in non-budgetary transactions. In 1989-90, non-budgetary transactions provided the Government with a net source of funds amounting to \$8,466 million, up \$1,995 million from that provided in 1988-89. Most of the increase was due to the encashment in November 1988 of the accrued interest on the 1981 series of Canada Savings Bonds, which lowered the overall net source of funds in 1988-89.

With the deficit increasing by \$45 million and a higher net source of funds from non-budgetary transactions of \$1,995 million, financial requirements, excluding foreign exchange transactions, declined by \$1,950 million to \$20,530 million. In addition, there were \$697 million of net requirements in 1989-90 for foreign exchange transactions, down considerably from the net requirement of \$5,730 million in 1988-89. As a result, total financial requirements in 1989-90 were \$21,227 million, down \$6,983 million from 1988-89. The 1989-90 requirements were financed by unmatured debt transactions of \$20,906 million (\$28,510 million in 1988-89) and a drawdown in cash balances of \$321 million. Cash balances at March 31, 1990 stood at \$1,512 million.

Table 1.3 sets out the financial requirements over the last ten years, while Table 1.4 sets out the major components of non-budgetary transactions for the same period.

TABLE 1.3
FINANCIAL REQUIREMENTS
(in millions of dollars)

| | | | Financial requirements | | | | | | | | |
|------------------------|----------------------|-----------------------------------|--|-------------------------------------|--|--|--|--|--|--|--|
| Year ended March 31 | Budgetary deficit | Non- budgetary transactions | Excluding foreign exchange transactions | Foreign exchange transactions | Including foreign exchange transactions | | | | | | |
| 1981 | -14,303 | 4,386 | -9,917 | 927 | -8.990 | | | | | | |
| 1982 | -15,541 | 6,277 | -9,264 | 558 | -8,706 | | | | | | |
| 1983 | -28,734 | 4,915 | -23,819 | -640 | -24,459 | | | | | | |
| 1984 | -32,723 | 7,504 | -25,219 | 414 | -24,805 | | | | | | |
| 1985 | -38,512 | 8,688 | -29,824 | 2,423 | -27,401 | | | | | | |
| 1986 | -34,583 | 4,073 | -30,510 | 5,626 | -24,884 | | | | | | |
| 1987 | -30,733 | 7,815 | -22,918 | -6,390 | -29,308 | | | | | | |
| 1988 | -28,201 | 9,352 | -18,849 | -7,149 | -25,998 | | | | | | |
| 1989 | -28,951 | 6,471 | -22,480 | -5,730 | -28,210 | | | | | | |
| 1990 | -28,996 | 8,466 | -20,530 | -697 | -21,227 | | | | | | |

Source/requirement (-)

TABLE 1.4

NON-BUDGETARY TRANSACTIONS (in millions of dollars)

| Year ei | nded March 31 | Loans, investments and advances | Specified purpose accounts | Other non-budgetary transactions | Total non-budgetary transactions |
|---------|---------------|--|----------------------------|--|--|
| 1981 | | -169 | 3,823 | 732 | 4,386 |
| 1982 | | -1,506 | 4,736 | 3,047 | 6,277 |
| 1983 | | -502 | 3,391 | 2,026 | 4,915 |
| 1984 | | -464 | 4,566 | 3,402 | 7,504 |
| 1985 | | 709 | 5,100 | 2,879 | 8,688 |
| 1986 | | 41 | 5,186 | -1,154 | 4,073 |
| 1987 | | 1,386 | 5,328 | 1,101 | 7,815 |
| 1988 | | 1,509 | 6,766 | 1,077 | 9,352 |
| 1989 | | 1,044 | 4,900 | 527 | 6,471 |
| 1990 | | 1,050 | 6,418 | 998 | 8,466 |

Source/requirement (-)

SUPPLEMENTARY FINANCIAL INFORMATION

This part provides a ten year comparative summary of the Government's financial transactions, both on the Public Accounts basis and on the National Accounts basis. The Public Accounts presentation reflects the accounting policies explained in Note 1 to the audited financial statements in Section 2 of this volume. The National Accounts presentation is designed primarily to facilitate economic analysis of the federal Government sector on a basis consistent with that used in measuring income and expenditure flows in the economy.

TABLE 1.5

GOVERNMENT OF CANADA
PUBLIC ACCOUNTS PRESENTATION
SUMMARY STATEMENT OF TRANSACTIONS⁽¹⁾

(in millions of dollars)

Public Accounts Presentation

The "Summary Statement of Transactions" (Table 1.5) provides aggregate data on the major categories of transactions under four main headings: budgetary, non-budgetary, foreign exchange and unmatured debt. The resulting cash position at the end of each year is also shown.

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| | | | | | Year ende | ed March | 31 | | | _li |
|---|---------|---------|---------|---------|-----------|----------|----------|----------|----------|----------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| I. Budgetary transactions | | | | | | | , | | 1 | 1000 |
| A. Revenue, Table 1.6 | 48,867 | 60,307 | 60,662 | 64,168 | 71,056 | 76,933 | 85,931 | 97,612 | 104,067 | 113,707 |
| B. Expenditure, Table 1.7 | -63,170 | -75,848 | -89,396 | -96,891 | -109,568 | -111,516 | -116,664 | -125,813 | -133,018 | -142,703 |
| Deficit | -14,303 | -15,541 | -28,734 | -32,723 | -38,512 | -34,583 | -30,733 | -28,201 | -28,951 | -28,996 |
| II. Non-budgetary transactions, Table 1.9 | | | | | | - | | | | |
| A. Loans, investments and advances | -169 | -1,506 | -502 | -464 | 709 | 41 | 1,386 | 1,509 | 1,044 | 1,050 |
| B. Specified purpose accounts | 3,823 | 4,736 | 3,391 | 4,566 | 5,100 | 5,186 | 5,328 | 6,766 | 4,900 | 6,418 |
| C. Other transactions | 732 | 3,047 | 2,026 | 3,402 | 2,879 | -1,154 | 1,101 | 1,077 | 527 | 998 |
| Net source | 4,386 | 6,277 | 4,915 | 7,504 | 8,688 | 4,073 | 7,815 | 9,352 | 6,471 | 8,466 |
| Financial requirements (excluding foreign exchange transactions) ¹³¹ | -9,917 | -9,264 | -23,819 | -25,219 | -29,824 | -30,510 | -22,918 | -18,849 | -22,480 | -20,530 |
| III. Foreign exchange transactions ^{2} , Table 1.10 | 927 | 558 | -640 | 414 | 2,423 | 5,626 | -6,390 | -7,149 | -5,730 | -697 |
| Total financial requirements [3] | -8,990 | -8,706 | -24,459 | -24,805 | -27,401 | -24,884 | -29,308 | -25,998 | -28,210 | -21,227 |
| IV. Unmatured debt transactions ^{2} , Table 1.10 | 11,183 | 9,395 | 22,418 | 26,638 | 26,847 | 23,770 | 29,182 | 22,913 | 28,510 | 20,906 |
| Change in cash ^{{4} } | 2,193 | 689 | -2,041 | 1,833 | -554 | -1,114 | -126 | -3,085 | 300 | -321 |
| V. Cash balance at end of year, Table 1.10 | 5,931 | 6,620 | 4,579 | 6,412 | 5,858 | 4,744 | 4,618 | 1,533 | 1,833 | 1.512 |

Details can be found in other sections of this volume.

Consistent with the Statement of Transactions in Section 2 of this volume.

Cash requirements

(ash decrease (-)

¹²¹ The change in unmatured debt payable in foreign currencies, -\$2,645 million in 1989-90 (-\$2,962 million in 1988-89), has been included as part of foreign exchange transactions.

^[3] Cash requirements (-)

TABLE 1.6

GOVERNMENT OF CANADA
PUBLIC ACCOUNTS PRESENTATION
DETAILED STATEMENT OF REVENUE TRANSACTIONS
(in millions of dollars)

| | | | | | Year ende | d March 3 | 1 | | | |
|--|--------|--------|--------|--------|---|-----------|------------------------|-----------------|---------|---------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| I.Budgetary transactions A. REVENUE, Section 3 | | | | | | | | | | |
| Tax revenue— | | | | | | | | | | |
| Income tax— | | | | | | | | | | |
| Personal | 19,837 | 24,046 | 26,330 | 26,967 | 29,254 | 33,008 | 37,878 | 45,125 | 46,026 | 51,895 |
| Corporation | 8,106 | 8,118 | 7,139 | 7,286 | 9,379 | 9,210 | 9,885 | 10,878 | 11,730 | 13.021 |
| Unemployment insurance contributions | 3,303 | 4,753 | 4,900 | 7,259 | 7,553 | 8,719 | 9,558 | 10,425 | 11,268 | 10,738 |
| Non-resident | 867 | 1.018 | 998 | 908 | 1,021 | 1,053 | 1,355 | 1,162 | 1,578 | 1,361 |
| | 32,113 | 37,935 | 39,367 | 42,420 | 47,207 | 51,990 | 58,676 | 67.590 | 70,602 | 77,015 |
| Excise taxes and duties— | 02,110 | 07,500 | 0,00, | .2,.20 | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 51,770 | 30,070 | 07,570 | 70,002 | //,01. |
| Sales tax | 5,355 | 6,148 | 5,842 | 6,561 | 7,592 | 9,345 | 11,972 | 12,927 | 15,645 | 17,672 |
| Customs import duties | 3,185 | 3,435 | 2,828 | 3,376 | 3,794 | 3,971 | 4,187 | 4,385 | 4,521 | 4,587 |
| Excise duties | 1,042 | 1,175 | 1,274 | 1,356 | 1,462 | 1,473 | 1,470 | 1,459 | 1,453 | |
| Other | 570 | 564 | 685 | 754 | 850 | 1,354 | | , | | 2,130 |
| Oulci | 10.152 | 11.322 | 10.629 | 12,047 | 13,698 | 16,143 | 1,455 <i>19,084</i> | 1,567 20,338 | 1,506 | 1,295 |
| Energy taxes— | 10,132 | 11,522 | 10,029 | 12,047 | 13,090 | 10,143 | 19,004 | 20,556 | 23,125 | 25,684 |
| Excise tax—Gasoline | 453 | 436 | 408 | 386 | 404 | 729 | 1,279 | 2 206 | 2,174 | 215 |
| Petroleum and gas revenue tax | 27 | 864 | 1.960 | | | | | 2,286 | , | 2,154 |
| Excise tax—Aviation gas and diesel | 21 | 004 | 1,900 | 2,106 | 2,563 | 2,037 | 473 | -75 | 105 | 57 |
| | | | | | | 4. | 212 | 205 | 2.00 | |
| fuel | 105 | 000 | | | | 41 | 213 | 385 | 369 | 260 |
| Natural gas and gas liquids tax | 187 | 998 | 1,264 | 524 | -15 | -15 | 1 | | -1 | ris . |
| Oil export charges | 842 | 964 | 626 | 347 | 677 | 327 | | 1 | | |
| Special petroleum compensation charge Canadian Ownership special | | 473 | | | | | | | | , |
| charge | | 786 | 889 | 805 | 850 | 229 | -1 | 6 | -1 | |
| | 1,509 | 4,521 | 5,147 | 4,168 | 4,479 | 3,348 | 1,965 | 2,603 | 2,646 | 2,471 |
| | 11,661 | 15,843 | 15,776 | 16,215 | 18,177 | 19,491 | 21,049 | 22,941 | 25,771 | 28,155 |
| Other tax revenue | 99 | 120 | 132 | 126 | 107 | 126 | 144 | 207 | 265 | 226 |
| Total tax revenue | 43,873 | 53,898 | 55,275 | 58,761 | 65,491 | 71,607 | 79,869 | 90,738 | 96,638 | 105,396 |
| Non-tax revenue— | | | | | | | | | | |
| Return on investments— | | | | | | | | | | |
| Bank of Canada | 1,546 | 1.944 | 1,885 | 1,713 | 1,858 | 1.856 | 1.971 | 1,871 | 1,938 | 2,239 |
| Canada Mortgage and Housing Corporation | 839 | 873 | 892 | 941 | 913 | 892 | 866 | 853 | 845 | 822 |
| Farm Credit Corporation | 251 | 296 | 361 | 424 | 463 | 386 | 354 | 326 | 301 | 239 |
| Exchange Fund Account | 850 | 711 | 435 | 345 | 224 | -505 | 366 | 752 | 1,658 | 1,661 |
| Interest on bank deposits | 318 | 701 | 433 | 395 | 243 | 278 | 219 | 279 | 256 | 278 |
| Other return on investments | 605 | 675 | 622 | 448 | 597 | 754 | 479 | 656 | 549 | 611 |
| Other retain on investments | 4,409 | 5.200 | 4.628 | 4.266 | 4,298 | 3,661 | 4,255 | | | |
| Other non-tax revenue | 585 | 1.209 | 759 | 1,141 | | 1,665 | 1,807 | 4,737 | 5,547 | 5,850 |
| | | | | | 1,267 | , | | 2,137 | 1,882 | 2,461 |
| Total non-tax revenue | 4,994 | 6,409 | 5,387 | 5,407 | 5,565 | 5,326 | 6,062 | 6,874 | 7,429 | 8,311 |
| Total net revenue | 48,867 | 60,307 | 60,662 | 64,168 | 71,056 | 76,933 | 85,931 | 97,612 | 104,067 | 113,707 |

TABLE 1.7

GOVERNMENT OF CANADA PUBLIC ACCOUNTS PRESENTATION DETAILED STATEMENT OF EXPENDITURE TRANSACTIONS (in millions of dollars)

| | | | | | Year ende | d March 3 | 1 | | | |
|--|--------|--------|--------|--------|-----------|-----------|---------|---------|---------|---------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| .Budgetary transactions | | | | | | | | | | |
| B. EXPENDITURE, Section 4 | | | | | | | | | | - |
| Major transfer and subsidy payments— | | | | | | | | | | |
| Persons— | | | | | | | | | | |
| Old age security benefits, guaranteed income | | | | | | | | | | |
| supplements and spouses' allowances | 7,418 | 8,585 | 9,643 | 10,406 | 11,418 | 12,525 | 13,445 | 14,349 | 15,202 | 16,154 |
| Unemployment insurance benefits | 4,524 | 5,446 | 9,823 | 9,782 | 10,052 | 10,036 | 10,444 | 10,487 | 10,972 | 11,694 |
| Family allowances | 1,851 | 2,020 | 2,231 | 2,326 | 2,418 | 2,501 | 2,534 | 2,564 | 2,606 | 2,653 |
| Veterans benefits | 1,006 | 1,140 | 1,283 | 1,387 | 1,458 | 1,535 | 1,586 | 1,609 | 1,612 | 1,708 |
| | 14,799 | 17,191 | 22,980 | 23,901 | 25,346 | 26,597 | 28,009 | 29,009 | 30,392 | 32,209 |
| Other levels of Government— | | | | | | | | | | |
| Fiscal arrangements | 3,944 | 4,750 | 5,597 | 5,977 | 5,985 | 5,941 | 6,302 | 7,007 | 8,127 | 8,937 |
| Insurance and medical care services | 3,982 | 4,283 | 4,060 | 5,564 | 6,330 | 6,400 | 6,607 | 6,558 | 6,678 | 6,663 |
| Canada Assistance Plan | 1,941 | 2,298 | 2,832 | 3,288 | 3,745 | 3,916 | 4,051 | 4,246 | 4,556 | 5,006 |
| Education support | 1,600 | 1,628 | 1,532 | 2,065 | 2,265 | 2,277 | 2,232 | 2,242 | 2,227 | 2,166 |
| | 11,467 | 12,959 | 14,021 | 16,894 | 18,325 | 18,534 | 19,192 | 20,053 | 21,588 | 22,772 |
| Total major transfer and subsidy | | | | | | | | | 1 | |
| payments | 26,266 | 30,150 | 37,001 | 40,795 | 43,671 | 45,131 | 47,201 | 49,062 | 51,980 | 54,981 |
| Other program expenditures— | | | | | | | | | | |
| Defence | 5.063 | 5,989 | 6.938 | 7,843 | 8,762 | 9.094 | 9,993 | 10,769 | 11.026 | 11,452 |
| External affairs and aid | 1,722 | 2.079 | 2,315 | 2,638 | 2,911 | 2,755 | 3,157 | 3,703 | 3,818 | 3,784 |
| All other government organisations | 19,461 | 22,516 | 26,239 | 27,538 | 31,769 | 29,095 | 29,655 | 33,251 | 33,025 | 33,666 |
| Total other program expenditures | 26,246 | 30,584 | 35,492 | 38,019 | 43,442 | 40,944 | 42,805 | 47,723 | 47,869 | 48,902 |
| Public debt | 10,658 | 15,114 | 16,903 | 18,077 | 22,455 | 25,441 | 26,658 | 29,028 | 33,169 | 38,820 |
| | | | | | | , | | | | 30,020 |
| Total net expenditure | 63,170 | 75,848 | 89,396 | 96,891 | 109,568 | 111,516 | 116,664 | 125,813 | 133,018 | 142,703 |

OTHER

TABLE 1.8

GOVERNMENT OF CANADA PUBLIC ACCOUNTS PRESENTATION COMPARATIVE STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

(in millions of dollars)

| | | | | | Year ende | ed March 3 | 1 | | | |
|--|---|---------|---------|---------|-----------|------------|---------|---------|---------|----------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| FINANCIALASSETS | | | | | | | | | | |
| LOANS, INVESTMENTS AND ADVANCES | | | | | | | | | | |
| Enterprise Crown corporations | 22,161 | 23,917 | 25,752 | 26,151 | 25,434 | 25,551 | 24,721 | 23,271 | 22,537 | 21.97 |
| Less: allowance for valuation | 2,093 | 2,237 | 3,760 | 3,700 | 3,800 | 3,700 | 3,800 | 3,400 | 4,200 | 4,300 |
| | 20,068 | 21,680 | 21,992 | 22,451 | 21,634 | 21,851 | 20,921 | 19.871 | 18,337 | 17,67 |
| Other | 8,467 | 8,861 | 9,444 | 10,018 | 10,725 | 10,867 | 10,311 | 9,952 | 10,198 | 9,20 |
| Less: allowance for valuation | 4,539 | 5,039 | 5,432 | 6,001 | 6,600 | 7,000 | 6,900 | 7,000 | 6,800 | 6,20 |
| | 3,928 | 3,822 | 4,012 | 4,017 | 4,125 | 3,867 | 3,411 | 2,952 | 3,398 | 3,00 |
| Total Net Loans, Investments and Advances | 23,996 | 25,502 | 26,004 | 26,468 | 25,759 | 25,718 | 24,332 | 22,823 | 21,735 | 20,68 |
| International reserves held in the Exchange Fund | | | | | | | | | | |
| Account | 2,838 | 3,023 | 4,636 | 3,623 | 4,211 | 3,459 | 8,212 | 14,779 | 17,422 | 15,393 |
| International Monetary Fund—Subscriptions | 2,961 | 2,780 | 2,716 | 3,995 | 3,985 | 4,670 | 4,936 | 5,038 | 4,534 | 4,47 |
| Less: International Monetary Fund-Notes payable | | | | | | | | | | |
| and Special Drawing Rights allocations | 3,463 | 3,391 | 3,323 | 4,302 | 4,332 | 5,151 | 5,580 | 5,815 | 5,186 | 5,04 |
| Total Net Foreign Exchange Accounts | 2,336 | 2,412 | 4,029 | 3,316 | 3,864 | 2,978 | 7,568 | 14,002 | 16,770 | 14,82 |
| ACCOUNTS RECEIVABLE | 1,289 | 1,576 | 1,514 | 1,447 | 1,516 | 1,590 | 1,711 | 1,838 | 2,157 | 2,32 |
| CASH IN TRANSIT | 1,845 | 1,829 | 2,565 | 1,876 | 1,882 | 1,693 | 1,468 | 2,322 | 2,087 | 2,13 |
| CASH | 5,931 | 6,620 | 4,579 | 6,412 | 5,858 | 4,744 | 4,618 | 1,533 | 1,833 | 1,51. |
| OTAL FINANCIAL ASSETS | 35,397 | 37,939 | 38,691 | 39,519 | 38,879 | 36,723 | 39,697 | 42,518 | 44,582 | 41,47 |
| CCUMULATED DEFICIT | 90,987 | 106,528 | 135,262 | 167,985 | 206,497 | 241,080 | 271,813 | 300,014 | 328,965 | * 357,96 |
| TOTAL | 126,384 | 144,467 | 173,953 | 207,504 | 245,376 | 277,803 | 311,510 | 342,532 | 373,547 | 399,430 |
| IABILITIES | *************************************** | | | | | | | | | |
| SPECIFIED PURPOSE ACCOUNTS | | | | | | | | | | |
| Canada Pension Plan Account(net) | 873 | 1,025 | 1,173 | 1,307 | 1,502 | 1,773 | 1,978 | 2,284 | 2,540 | 2,963 |
| Superannuation accounts(net) | 27,729 | 31,443 | 35,526 | 39,388 | 43,690 | 48,370 | 53,365 | 58,788 | 64,613 | 70,99 |
| Government Annuities Account | 1,193 | 1,172 | 1,150 | 1,124 | 1,095 | 1,060 | 1,024 | 987 | 948 | 90 |
| Deposit and trust accounts | 422 | 1,321 | 839 | 1,099 | 1,353 | 1,776 | 1,795 | 1,747 | 1,221 | 1.15 |
| Provincial tax collection agreements | | | | | | | | | | |
| account | 1,471 | 1,415 | 1,031 | 1,308 | 1,617 | 1,390 | 1,447 | 2,497 | 1.766 | 1,39 |
| Other | 275 | 323 | 371 | 430 | 499 | 573 | 661 | 733 | 834 | 920 |
| Total Specified Purpose Accounts | 31,963 | 36,699 | 40,090 | 44,656 | 49,756 | 54,942 | 60,270 | 67,036 | 71.922 | 78,340 |
| OTHER LIABILITIES | 11,283 | 14,601 | 17,301 | 19,947 | 22,901 | 21,632 | 22,629 | 24,687 | 25,324 | 26,534 |
| Payable in Canadian currency | 78,364 | 87,759 | 110,177 | 136,815 | 163,662 | 187,432 | 216,614 | 239,527 | 267,981 | 288,887 |
| Payable in foreign currencies | 4,774 | 5,408 | 6,385 | 6,086 | 9,057 | 13,797 | 11,997 | 11,282 | 8,320 | 5,675 |
| Total Unmatured Debt | 83,138 | 93,167 | 116,562 | 142,901 | 172,719 | 201,229 | 228,611 | 250,809 | 276,301 | 294,562 |
| TOTAL | 126,384 | 144,467 | 173,953 | 207.504 | 245,376 | 277.803 | 311.510 | 342,532 | 373,547 | 399,430 |

TABLE 1.8a

GOVERNMENT OF CANADA
PUBLIC ACCOUNTS PRESENTATION

STATEMENT OF RETROACTIVE ADJUSTMENTS TO THE ACCUMULATED DEFICIT

(in millions of dollars)

| | | | | | Year ende | d March 3 | 1 | | |
|--|--------|---------|---------|---------|-----------|-----------|---------|---------|---------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
| Accumulated deficit—as previously reported | 85,681 | 100,553 | 128,369 | 160,768 | 199,092 | 233,496 | 264,101 | 292,184 | 320,918 |
| Allowance for actuarial liability for | | | | | | | | | |
| employee pensions | 5,400 | 6,100 | 6,700 | 6,700 | 6,700 | 6,700 | 6,700 | 6,700 | 6,700 |
| Allowance for valuation of assets | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Allowance for borrowings of agent Crown corporations | 615 | 880 | 1,145 | 1.410 | 1,675 | 1,940 | 2,205 | 2,470 | 2,735 |
| Accrual of non-tax revenue | -1,289 | -1,576 | -1.514 | -1,447 | -1.516 | -1,590 | -1,711 | -1.838 | -1,907 |
| Consolidation of specified purpose accounts | -77 | -86 | -95 | -103 | -111 | -123 | -139 | -159 | -178 |
| Consolidation of Crown corporations | -343 | -343 | -343 | -343 | -343 | -343 | -343 | -343 | -303 |
| Revised accumulated deficit—end of year | 90,987 | 106,528 | 135,262 | 167,985 | 206,497 | 241,080 | 271,813 | 300,014 | 328,965 |

TABLE 1.9

GOVERNMENT OF CANADA PUBLIC ACCOUNTS PRESENTATION DETAILED STATEMENT OF NON-BUDGETARY TRANSACTIONS

(in millions of dollars)

Year ended March 31 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 II. Non-budgetary transactions A. LOANS, INVESTMENTS AND ADVANCES. Section 6 Enterprise Crown corporations-Lending institutions--200 Canada Deposit Insurance Corporation _895 _268 60 140 _40 -131 -361 320 Canada Mortgage and Housing Corporation -199 -30 194 195 -66 364 254 234 273 201 Export Development Corporation 19 52 -40 -5 39 64 49 55 25 -75 -270 -348 -394 -379 172 214 591 -179230 104 Federal Business Development Bank 101 125 145 172 157 119 93 51 -216 -570 -259 122 692 -303 719 30 167 550 All other enterprise Crown corporations-Canadian National Railway Company -8 -41 -62 2 9 352 29 12 12 Petro-Canada -440 -840 -1,354-660 972 -346 -181 201 23 177 -272 1.391 -178 1,420 524 -1,186 -1,576 -521 25 186 80 10 -166100 -100 100 Allowance for valuation 144 1,523 -60 -400 1,050 100 1,050 308 -1,612 -312 459 817 899 -2171,051 660 Other loans, investments and advances-Provincial and territorial governments 247 28 -41 35 67 110 89 37 28 -140 National governments including developing countries -204-276-273 -167 -172 -142124 81 132 696 -166 -110 -213-335 -378 -22046 -24International organizations (subscriptions less notes). 15 -70Veteran's Land Act Fund advances less allowance ... 37 29 28 31 32 31 26 24 20 17 Joint and mixed enterprises -52 8 -42 7 _93 237 319 -61 36 362 Miscellaneous -19-17-42 -145-163140 65 -1171 125 -101 _304 _583 193 -574 -707-142 587 350 990 Allowance for valuation -376500 393 569 599 400 -100 100 -200 -600 -477 106 -190 -5 -108 258 487 459 -7 390 Total loans, investments and advances after allowance -1,506-502 709 41 1,386 1,509 1,044 -169464 1,050 B. SPECIFIED PURPOSE ACCOUNTS, Section 7 Liability accounts-Canada Pension Plan Account 150 152 148 134 195 271 205 306 255 422 4,083 4,302 4.995 2.907 3.714 3,862 4.680 5.423 5.825 6,384 Government Annuities Account -15-21 -22 -26 -29 -35-36 -37 -39 -41 Deposit and trust accounts 899 -482 260 254 423 19 -47 -518 -65 26 309 1.050 -731 728 -384 277 -227 57 -368 Provincial tax collection agreements account -56 48 88 27 48 59 69 74 71 108 86 4,736 3,391 5,100 5,328 4,900 Total specified purpose accounts 3.823 4,566 5,186 6,766 6,418 C. OTHER TRANSACTIONS, Sections 8 and 11 Accounts receivable -28762 _74 -121-127-30-163-7667 -69Cash in transit -693 16 -736689 -6 189 225 -854347 -49 Other liabilities 1,501 3,318 2,700 2,646 2,954 -1,269 997 2,058 210 1,210 732 3,047 2,026 3,402 2,879 -1,1541,101 1,077 527 998 Net non-budgetary transactions after allowance 4,073 7,815 9,352 6,471 4.386 6.277 4.915 7.504 8,688 8.466 Summary-Net non-budgetary transactions before allowance 4,762 5,633 2,999 6,995 7,989 3,773 7,815 9,652 5,621 8.966 -500 Allowance for valuation 1,916 509 699 300 -300850 644 Net non-budgetary transactions after allowance 4.386 6.277 4.915 7,504 8,688 4,073 7.815 9,352 6,471 8,466

HALX

1 19

0.11878115

Source/requirement (-)

TABLE 1.10

GOVERNMENT OF CANADA PUBLIC ACCOUNTS PRESENTATION

DETAILED STATEMENT OF FOREIGN EXCHANGE, UNMATURED DEBT AND CASH TRANSACTIONS

(in millions of dollars)

| | | | | | Year ende | d March 3 | l | | | |
|--|--------|--------|--------|--------|-------------|-----------|--------|----------|--------------|--------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| | | | | | | | | | | |
| III. Foreign exchange transactions, Section 9 International reserves held in the Exchange Fund | | | | | | | | | | 1 |
| Account | 1,033 | -185 | -1,613 | 1,013 | -588 | 752 | -4,753 | -6,567 | -2,643 | 2,029 |
| International Monetary Fund—Subscriptions | -930 | 181 | 64 | -1,279 | 10 | -685 | -266 | -102 | 504 | 60 |
| | 103 | 4 | -1,549 | -266 | <i>-578</i> | 67 | -5,019 | -6,669 | -2,139 | 2,089 |
| Less: International Monetary Fund—Notes payable | -715 | 2 | 44 | -961 | -32 | -637 | -359 | -208 | 495 | 126 |
| Special Drawing Rights allocations | -175 | 70 | 24 | -18 | 2 | -182 | -70 | -27 | 134 | 15 |
| | -890 | 72 | 68 | -979 | -30 | -819 | -429 | -235 | 629 | 141 |
| Unmatured debt transactions payable in foreign | | | | | | | | | | |
| currencies | -66 | 634 | 977 | -299 | 2,971 | 4,740 | -1,800 | -715 | -2,962 | -2,645 |
| Total foreign exchange transactions | 927 | 558 | -640 | 414 | 2,423 | 5,626 | -6,390 | -7,149 | -5,730 | -697 |
| IV. Unmatured debt transactions, Section 10 | | | | | | | | <u> </u> | | |
| Marketable bonds | 7,834 | 3,000 | 4,989 | 7.281 | 12,379 | 15,584 | 13,337 | 9,928 | 10,899 | 10,689 |
| Canada savings bonds | -2,269 | 9,166 | 7,663 | 5,563 | 3,756 | 2,285 | 64 | 9,014 | -5,567 | -6.827 |
| Special non-marketable bonds issued to the Canada | -2,20) | 7,100 | 7,003 | 5,505 | 5,750 | 2,203 | 04 | >,014 | 3,307 | -0,027 |
| Pension Plan Investment Fund | 23 | 18 | 17 | 18 | 16 | 240 | 1,351 | 696 | 513 | 67 |
| Treasury bills | 5,445 | -2,395 | 9.750 | 12,575 | 10.600 | 9,650 | 15,000 | 4,100 | 21,650 | 15,850 |
| Notes and loans | -5 | 268 | 863 | 1,085 | 2,987 | 861 | -2,823 | -1,171 | -2,015 | -1,734 |
| | -5 | 200 | 803 | 1,003 | 2,701 | 801 | 1,045 | -1,171 | -2,013 86 | 315 |
| Canada bills | 11.028 | 10.057 | 23,282 | 26,522 | 29,738 | 28,620 | 27,974 | 22,567 | 25,566 | 18,360 |
| Less: Government's holdings of unmatured debt— | 11,020 | 10,037 | 23,202 | 20,322 | 29,730 | 20,020 | 27,974 | 22,307 | 23,300 | 10,500 |
| C C | -83 | 14 | -110 | 172 | -122 | 137 | -175 | 141 | -46 | 107 |
| Marketable bonds | -83 | 14 | -110 | 172 | -122 | 137 | -173 | 141 | -40 | 107 |
| Canada savings bonds held on account of | | | 2 | | 40 | 27 | 26 | | 10 | 20 |
| employees | -6 | 14 | -3 | 11 | 42 | -27 | 36 | 11 | 10 | -36 |
| Canada savings bonds held on account of the | | | | | | | | 2.5 | | • • |
| Payroll Savings Plan | | | | | | | 731 | 217 | 54 | 28 |
| Unmatured debt transactions payable in foreign | | | | | | | | | | |
| currencies | -66 | 634 | 977 | -299 | 2,971 | 4,740 | -1,800 | -715 | -2,962 | -2,645 |
| | -155 | 662 | 864 | -116 | 2,891 | 4,850 | -1,208 | -346 | -2,944 | -2,546 |
| Total unmatured debt transactions payable in | | | | | | | | | | |
| Canadian currency | 11,183 | 9,395 | 22,418 | 26,638 | 26,847 | 23,770 | 29,182 | 22,913 | 28,510 | 20,906 |
| V. Cash balance at end of year, Section 11 | | | | | | | | | | |
| In Canadian currency | 5,826 | 6,541 | 4,193 | 6,329 | 5,779 | 4,566 | 4,479 | 1,381 | 1,708 | 1,369 |
| In foreign currencies | 105 | 79 | 386 | 83 | 79 | 178 | 139 | 152 | 125 | 143 |
| Total cash balance | 5.931 | 6,620 | 4,579 | 6,412 | 5,858 | 4,744 | 4.618 | 1,533 | 1.833 | 1,512 |

Source/requirement (-)

TABLE 1.11GOVERNMENT OF CANADA
PUBLIC ACCOUNTS PRESENTATION

DETAILED STATEMENT OF TRANSACTIONS—CERTAIN SPECIFIED PURPOSE ACCOUNTS

(in millions of dollars)

| | | Year ended March 31 | | | | | | | | |
|---|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| CANADA PENSION PLAN ACCOUNT | | | | | | | | | | |
| Receipts— | | | | | | | | | | |
| Employer and employee contributions | 2,689 | 3,282 | 3,446 | 3,716 | 3,879 | 4,495 | 4,976 | 5,583 | 6,248 | 7,278 |
| Investment income | 1,519 | 1,850 | 2,236 | 2,534 | 2,889 | 3,162 | 3,404 | 3,669 | 3,913 | 4,182 |
| Disbursements— | | | | | | | | | | |
| Pensions | -2,011 | -2,456 | -3,036 | -3,657 | -4,224 | -4,887 | -5,722 | -7,329 | -8,445 | -9,473 |
| Administration expenses | -67 | -76 | -85 | -89 | -100 | -111 | -140 | -135 | -134 | -145 |
| Net | 2,130 | 2,600 | 2,561 | 2,504 | 2,444 | 2,659 | 2,518 | 1,788 | 1,582 | 1,842 |
| Investments—Securities in Investment Fund | -1,980 | -2,448 | -2,413 | -2,370 | -2,249 | -2,388 | -2,313 | -1,482 | -1,327 | -1,420 |
| Total (net) Canada Pension Plan Account | 150 | 152 | 148 | 134 | 195 | 271 | 205 | 306 | 255 | 422 |

TABLE 1.11
GOVERNMENT OF CANADA
PUBLIC ACCOUNTS PRESENTATION
DETAIL ED STATEMENT OF TRANSACT

DETAILED STATEMENT OF TRANSACTIONS—CERTAIN SPECIFIED PURPOSE ACCOUNTS—Concluded

(in millions of dollars)

| | | | | | Year ende | March 31 | | . 79 | | |
|--|-------|---------------|-------|-------------|-----------|----------|-------------|-------|--------|--------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| SUPERANNUATION ACCOUNTS | | | | | | | | | | |
| Public Service Superannuation Account— | | | | | | | | | | |
| Receipts— | | | | | | | | | | |
| Government contribution | 288 | 321 | 339 | 349 | 373 | 391 | 398 | 427 | 434 | 426 |
| Employee contributions | 314 | 331 | 339 | 362 | 379 | 384 | 410 | 415 | 406 | 456 |
| Public Service corporations—Employer and | | | | | | | | | | |
| employee contributions | 57 | 128 | 232 | 239 | 246 | 246 | 242 | 240 | 248 | 253 |
| Interest | 608 | 837 | 981 | 1,261 | 1,616 | 1.993 | 2,445 | 2,775 | 3,075 | 3,392 |
| Actuarial liability adjustment | 559 | 951 | 267 | ., | | ., | -, | 4, | ., | |
| Other | 10 | 14 | 21 | 21 | 21 | 25 | 31 | 31 | 33 | 42 |
| Disbursements— | | • • | | | | 20 | 31 | 31 | 33 | 7 |
| Annuities | -409 | -466 | -523 | -576 | 647 | -740 | -835 | -931 | -1,037 | -1.142 |
| Other | -61 | -65 | -45 | -370 -42 | -49 | -65 | -033 -77 | -116 | -159 | -1,142 |
| Change in unamortized portion of actuarial deficiency | -104 | -375 | 301 | 481 | 356 | 244 | 53 | -110 | -139 | -110 |
| The state of the s | 1.262 | -373 1,676 | 1,912 | 2,095 | 2.295 | 2,478 | | 2 941 | 2 000 | 2 200 |
| Net | 1,202 | 1,070 | 1,912 | 2,093 | 2,293 | 2,4/0 | 2,667 | 2,841 | 3,000 | 3,309 |
| Canadian Forces Superannuation Account— | | | | | | | | | | |
| Receipts— | 140 | 150 | 102 | 200 | 212 | 202 | 222 | 0.45 | 0.55 | 0.77 |
| Government contribution | 142 | 159 | 183 | 200 | 212 | 223 | 233 | 247 | 255 | 270 |
| Employee contributions | 80 | 91 | 105 | 113 | 120 | 125 | 131 | 139 | 142 | 151 |
| Interest | 480 | 618 | 755 | 933 | 1,125 | 1,350 | 1,546 | 1,782 | 1,968 | 2,161 |
| Actuarial liability adjustment | 252 | 454 | 286 | 20 | | | | | - | |
| Other | 1 | 1 | 2 | 2 | 2 | 2 | 3 | 2 | 3 | 4 |
| Disbursements— | | | | | | | | | | - |
| Annuities | -267 | -292 | -315 | -336 | -363 | -394 | -426 | -459 | -499 | -544 |
| Other | -14 | -15 | -12 | -10 | -13 | -16 | -17 | -20 | -25 | -31 |
| Change in unamortized portion of actuarial deficiency | 19 | -151 | 20 | 239 | 203 | 152 | 62 | 4 | | -1 |
| Net | 693 | 865 | 1,024 | 1,161 | 1,286 | 1,442 | 1,532 | 1,695 | 1,844 | 2,010 |
| Royal Canadian Mounted Police Superannuation Account— | | | | | | | | | 100 | |
| Receipts— | | | | | | | | | n • 1 | |
| Government contribution | 44 | 52 | 61 | 65 | 67 | 68 | 72 | 82 | 99 | 71 |
| Employee contributions | 22 | 27 | 31 | 34 | 34 | 34 | 37 | 40 | 41 | 43 |
| Interest | 59 | 68 | 103 | 127 | 157 | 196 | 237 | 271 | 307 | 349 |
| Actuarial liability adjustment | 38 | 51 | 5 | | | | | | | |
| Disbursements— | | | | | | | | | | |
| Annuities | -13 | -16 | -19 | -21 | -24 | -27 | -33 | -40 | -48 | -59 |
| Other | -3 | -3 | -2 | -2 | -2 | -2 | -3 | -2 | -2 | -2 |
| Change in unamortized portion of actuarial deficiency | -12 | -21 | 17 | 22 | 19 | 11 | 1 | | | |
| Net | 135 | 158 | 196 | 225 | 251 | 280 | 311 | 351 | 397 | 402 |
| Supplementary Retirement Benefits Account— | | | .,, | | | | • • • • | | | |
| Receipts— | | | | | | | | | | 1000 |
| Government contribution | 74 | 88 | 81 | 94 | 100 | 103 | 111 | 115 | 115 | 130 |
| Employee contributions | 75 | 83 | 87 | 94 | 100 | 103 | 111 | 115 | 115 | 129 |
| · · | 15 | 0.5 | 07 | 74 | 100 | 105 | 111 | 115 | 113 | 123 |
| Public Service corporations—Employer and | 10 | 24 | 43 | 45 | 46 | 47 | 45 | 48 | 50 | 52 |
| employee contributions | | | | | | | | | | |
| Other | 94 | 159 | 180 | 185 | 260 | 268 | 273 | 332 | 398 | . 471 |
| Disbursements— | | | | | | | 25 | | | 0.4 |
| Annuities | -25 | -26 | -31 | -27 | -25 | -27 | -37 | -53 | -71 | -94 |
| Other | -11 | -13 | _9 | -10 | -11 | -14 | -18 | -21 | -23 | -25 |
| Net | 217 | 315 | 351 | 381 | 470 | 480 | 485 | 536 | 584 | 663 |
| | 2,307 | 3,014 | 3,483 | 3,862 | 4,302 | 4,680 | 4,995 | 5,423 | 5,825 | 6,384 |
| Allowance for the actuarial liability for | | | | | | | | | | |
| employee pensions | 600 | 700 | 600 | | | | | | | 0 |
| Total (net) superannuation accounts | 2,907 | 3,714 | 4,083 | 3,862 | 4,302 | 4,680 | 4,995 | 5,423 | 5,825 | 6,384 |

Source/requirement (-)

National Accounts Presentation

The National Income and Expenditure Accounts were developed as a basis for economic analysis of income and expenditure flows in the economy. The concepts and definitions applied to the Government sector are consistent with those applied to other sectors and follow international practices developed under the aegis of the United Nations. The economic nature of a transaction is the determining factor in its classification within the National Accounts framework.

In 1989-90, the National Accounts deficit increased by \$1,688 million or 7.5% from the 1988-89 level. This reflects an 8.8% increase in revenue and an 8.6% increase in expenditure.

TABLE 1.12

GOVERNMENT OF CANADA
NATIONAL ACCOUNTS PRESENTATION
DETAILED STATEMENT OF REVENUE AND EXPENDITURE TRANSACTIONS

| | Year ended Ma |
|--|-------------------|
| (in millions of dollars) | |
| DETAILED STATEMENT OF REVENUE AND EXPENDIT | TURE TRANSACTIONS |

| | | | | | Year ende | d March 3 | 1 | | | |
|---------------------------------------|--------|--------|---------|---------|-----------|-----------|---------|---------|---------|---------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| I. National Accounts transactions (1) | | | | | | | | | | |
| A. REVENUE— | | | | | | | | | | |
| Direct taxes— | | | | | | | | | | |
| Persons | 24,536 | 30,563 | 33,213 | 35,715 | 37,893 | 44,218 | 50,110 | 56,687 | 58,871 | 65,232 |
| Corporations | 8,958 | 8,926 | 9,292 | 10,049 | 11,354 | 11,418 | 10,319 | 11,993 | 11,797 | 10,854 |
| Non-residents | 932 | 1,163 | 1,116 | 1,051 | 1,170 | 1,192 | 1,449 | 1,418 | 1,808 | 1,407 |
| Total direct taxes | 34,426 | 40,652 | 43,621 | 46,815 | 50,417 | 56,828 | 61,878 | 70,098 | 72,476 | 77,493 |
| Indirect taxes | 13,467 | 19,355 | 16,863 | 16,789 | 18,719 | 18,709 | 21,814 | 24,104 | 25,534 | 29,127 |
| Other current transfers from persons | 16 | 15 | 15 | 16 | 18 | 24 | 23 | 26 | 28 | 32 |
| Investment income | 4,792 | 5,891 | 4,913 | 6,567 | 7,256 | 7,933 | 8,066 | 9,046 | 10,458 | 11,417 |
| Capital consumption allowances | 837 | 944 | 1,008 | 1,077 | 1,176 | 1,255 | 1,301 | 1,337 | 1,408 | 1,498 |
| Total revenue | 53,538 | 66,857 | 66,420 | 71,264 | 77,586 | 84,749 | 93,082 | 104,611 | 109,904 | 119,567 |
| B. EXPENDITURE— | | | | | | | | | | |
| Current goods and services— | | | | | | | | | | |
| Defence | 5,022 | 5,689 | 6,896 | 7,560 | 8,447 | 9,203 | 9,505 | 10,247 | 10,711 | 11,244 |
| Non-defence | 9,494 | 11,259 | 12,283 | 12,603 | 13,315 | 14,115 | 14,608 | 14,945 | 15,428 | 16,209 |
| Total current goods and services | 14,516 | 16,948 | 19,179 | 20,163 | 21,762 | 23,318 | 24,113 | 25,192 | 26,139 | 27,453 |
| Transfer payments to persons | 17,114 | 19,776 | 25,989 | 28,254 | 30,440 | 31,809 | 33,570 | 34,799 | 36,548 | 38,794 |
| Subsidies | 5,824 | 6,535 | 5,915 | 5,825 | 7,804 | 5,206 | 5,489 | 7,361 | 5,848 | 5,538 |
| Capital assistance | 733 | 1,042 | 3,373 | 3,239 | 3,452 | 2,717 | 2,414 | 1,792 | 1,561 | 1,642 |
| Current transfers to non-residents | 779 | 944 | 1,072 | 1,282 | 1,541 | 1,538 | 1,904 | 2,249 | 2,418 | 2,894 |
| Interest on the public debt | 10,544 | 14,855 | 16,821 | 17,900 | 22,116 | 25,102 | 26,385 | 28,680 | 32,885 | 38,542 |
| Transfers to provinces | 12,574 | 14,217 | 15,902 | 18,316 | 20,120 | 20,270 | 20,970 | 22,829 | 23,967 | 25,750 |
| Transfers to local governments | 303 | 326 | 345 | 528 | 503 | 488 | 520 | 615 | 694 | 774 |
| Gross capital formation | 755 | 1,276 | 1,310 | 1,714 | 2,433 | 2,175 | 1,928 | 1,908 | 2,206 | 2,231 |
| Total expenditure | 63,142 | 75,919 | 89,906 | 97,221 | 110,171 | 112,623 | 117,293 | 125,425 | 132,266 | 143,618 |
| Deficit | -9,604 | -9,062 | -23,486 | -25,957 | -32,585 | -27,874 | -24,211 | -20,814 | -22,362 | -24,051 |

These "National Accounts transactions" are consistent with those released by Statistics Canada on August 31, 1990.

Public Accounts and National Accounts Reconciliation

The reconciliation of transactions between the Public Accounts and National Accounts is set out in the table that follows. The major factors which give rise to the need for a reconciliation are listed below.

The deficits of Government business enterprises which are outside the Government accounting entity are, for Public Accounts presentation purposes, met through budgetary appropriations and are thus recorded as budgetary expenditure. In the National Accounts presentation, these deficits are netted against Government investment income.

Revenue in the Public Accounts is recorded on a cash basis with the exception of non-tax revenue. While the major portion of National Accounts revenue is accounted for on a cash basis, certain items, such as corporate income taxes and the oil export charges, are reported on an accrual basis. This difference also results in a different treatment of the acceleration of source deductions and sales and excise taxes by large firms.

Transactions of employee pension accounts are treated as non-budgetary in the Public Accounts, although the Government's

contributions to, and interest payments on, these accounts are included in expenditure. Employer and employee contributions to these accounts, plus any related interest income, form part of Government revenue in the National Accounts presentation, and pension payments form part of Government expenditure.

In the Public Accounts presentation, the purchase of capital assets such as buildings and machinery is recorded as a budgetary expenditure in the year of acquisition. Only newly produced capital assets and capital expenditures are included in National Accounts expenditure. The National Accounts also ignore the sale of capital assets as such sales are not deemed to give rise to production. Both Government revenue and expenditure include an allowance for the depreciation of capital assets in the National Accounts termed "Capital consumption allowance". This item is not a part of Public Accounts reporting.

Both the Public Accounts and the National Accounts include the financial activities of consolidated Crown corporations, however, the inclusions are not identical.

TABLE 1.13

GOVERNMENT OF CANADA

PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION
(in millions of dollars)

| | | | | | Year ende | d March 3 | 1 | | | |
|---|--------|--------|--------|--------|-----------|-----------|---------|---------|---------|---------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Budgetary revenue—Public Accounts | 48,867 | 60,307 | 60,662 | 64,168 | 71,056 | 76,933 | 85,931 | 97,612 | 104,067 | 113,707 |
| Reconciling items— | | | | | | | | | | |
| Government pension receipts | 3,148 | 3,960 | 4,508 | 4,965 | 5,528 | 6,070 | 6,548 | 7,176 | 7,756 | 8,380 |
| Corporate income tax—Excess of accruals | | | | | | | | | 75.20 | - |
| over collections | 681 | -91 | 910 | 520 | -460 | -140 | -58 | 1,527 | 67 | -2,167 |
| Capital consumption allowances | 837 | 944 | 1,008 | 1,077 | 1,176 | 1,255 | 1,301 | 1,337 | 1,408 | 1,498 |
| Petroleum compensation charge [1] | 1,459 | 3,855 | 2,852 | 1,833 | 2,291 | 690 | | | | |
| Non-tax revenue ^{2} | -421 | -488 | -580 | -656 | -836 | -989 | -968 | -1,260 | -1,190 | -1,262 |
| Deficits of Government business enterprises | -1,124 | -1,465 | -1,208 | -1,088 | -1,104 | -933 | -938 | -937 | -907 | -991 |
| Miscellaneous [3] | 91 | -165 | -1,732 | 445 | -65 | 1,863 | 1,266 | -844 | -1,297 | 402 |
| Total revenue—National Accounts | 53,538 | 66,857 | 66,420 | 71,264 | 77,586 | 84,749 | 93,082 | 104,611 | 109,904 | 119,567 |
| Budgetary expenditure—Public Accounts | 63,170 | 75,848 | 89,396 | 96,891 | 109,568 | 111,516 | 116,664 | 125,813 | 133,018 | 142,703 |
| Reconciling items— | | | | | | | | | | 200 |
| Government pension payments | 818 | 878 | 959 | 1,029 | 1,139 | 1,285 | 1,437 | 1,600 | 1,801 | 1,868 |
| Net expenditure of funds and agencies [4] | 1,399 | 1,571 | 1,236 | 1,403 | 1,451 | 1,442 | 1,567 | 1,558 | 1,344 | 1,597 |
| Capital consumption allowances | 837 | 944 | 1,008 | 1,077 | 1,176 | 1,255 | 1,301 | 1,337 | 1,408 | 1,498 |
| Petroleum compensation program [5] | 900 | 3,804 | 2,746 | 1,763 | 2,238 | 1,133 | 6 | 60 | | 100 |
| Non-tax revenue ^{6} | -421 | -488 | -580 | -656 | -836 | -989 | -968 | -1,260 | -1,190 | -1,262 |
| Deficits of Government business enterprises | -1,124 | -1,465 | -1,208 | -1,088 | -1,104 | -933 | -938 | -937 | -907 | -991 |
| Budgetary transfers to funds and agencies | -1,737 | -2,789 | -1,047 | -1,232 | -1,524 | -1,273 | -1,213 | -1,336 | -1,326 | -1,265 |
| Miscellaneous [7] | -700 | -2,384 | -2,604 | -1,966 | -1,937 | -813 | -563 | -1,410 | -1,882 | -530 |
| Total expenditure—National Accounts | 63,142 | 75,919 | 89,906 | 97,221 | 110,171 | 112,623 | 117,293 | 125,425 | 132,266 | 143,618 |

In the Public Accounts, the petroleum compensation charge is netted against petroleum compensation payments and included in budgetary expenditure. Gross revenues and payments are recorded in the National Accounts.

Various items of non-tax revenue, such as service fees and proceeds from the sale of current goods, which are reported as revenue in the Public Accounts, are netted to expenditure in the National Accounts.

This item represents the difference between the gross payments recorded on the National Accounts basis and net payments recorded on the Public Accounts basis.

Major items under miscellaneous include adjustments for proceeds from the sale of used capital assets, air transportation tax, imputed items, the treatment of revenue in the supplementary accounting period after March 31, and the treatment of the acceleration of source deductions and sales and excise taxes by large firms.

[4] In the National Accounts, budgetary appropriations to various funds and agencies are replaced by net actual expenditures of the funds and agencies.

Various non-tax revenues, such as service fees and proceeds from the sale of current goods, which are reported as revenue in the Public Accounts, are netted to expenditure in the National Accounts.
 Major items under miscellaneous include adjustments for reserves and write-offs, provision for the valuation of assets and liabilities, purchase of used capital assets, imputed items, and the treatment of expenditure in the supplementary accounting period after March 31.

section 2

1989-90 PUBLIC ACCOUNTS

Audited Financial Statements of the Government of Canada

CONTENTS

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| Statement of responsibility | |
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| Statement of revenue and expenditure | |
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| Statement of changes in financial position | |
| Notes to the financial statements of the Government of Canada | a |
| Opinion of the Auditor General on the financial statements of | |
| the Government of Canada | |

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PREFACE TO THE AUDITED FINANCIAL STATEMENTS OF THE GOVERNMENT OF CANADA

The fundamental purpose of the financial statements is to provide information to Parliament, and thus to the public, to facilitate an understanding and evaluation of the full nature and extent of the financial affairs and resources for which the Government is responsible. The financial statements reflect the financial position of the Government at the reporting date, as well as its results of operations, financial requirements and changes in financial position for the year.

The two basic concepts underlying the Government's accounting system are found in the Constitution Acts: first, the concept of the Consolidated Revenue Fund, which states that all duties and revenues received, other than those reserved to the provinces, "shall form One Consolidated Revenue Fund"; second, the concept that the balance of the Fund, after certain prior charges, "shall be appropriated by the Parliament of Canada".

The financial statements consist of five statements and accompanying notes. The first statement is the Statement of Transactions, which shows the extent to which cash going out from the Government exceeded cash coming in (financial requirements), and the resulting net new borrowing. The financial transactions are classified into the following categories:

- The first category, budgetary, consists of all the transactions with outside parties which enter into the calculation of the annual deficit or surplus of the Government, that is, tax and non-tax revenue, together with expenditures.
- The second category, non-budgetary, consists of transactions in loans, investments and advances, in liabilities for the administration of certain public money received or collected for special purposes, and in other liabilities, other than those related to foreign exchange and unmatured debt.
- The third category, foreign exchange, reflects transactions in international reserves held in the Exchange Fund Account (the principal objective of which is to aid in the control and protection of the external value of the Canadian dollar) together with an accounting of the net position of the Government with respect to the International Monetary Fund. Foreign exchange transactions include unmatured debt payable in foreign currencies.
- The fourth category, unmatured debt, represents the extent to which financial requirements have been met through the increase in unmatured debt, that is, the net change in amounts owing for marketable bonds, Canada savings bonds, special non-marketable bonds issued to the Canada Pension Plan Investment Fund and Treasury bills. Unmatured debt transactions exclude unmatured debt payable in foreign currencies.

The second statement is the Statement of Accumulated Deficit, which reflects the net accumulation of annual deficits and surpluses since Confederation. Because of the accounting changes introduced this year on a retroactive basis, the accumulated deficit at the beginning of the year, shown for 1989 and 1990, has been restated.

The third statement is the Statement of Revenue and Expenditure, which details the Government's revenue and expenditure (results of operations) for the year.

The fourth statement is the Statement of Assets and Liabilities. This statement measures the Government's cash balances and investments, together with amounts owing to and by the Government at the end of the year. The statement differs in some ways from the conventional balance sheet of the private sector. Fixed assets, having been accounted for as expenditures, are reported at the nominal value of \$1, and tax revenues not yet received are not recorded as assets. It should be noted, therefore, that the difference between total financial assets and total liabilities is simply the aggregate of annual budgetary deficits and surpluses determined in accordance with the accounting policies of the Government.

The fifth statement is the Statement of Changes in Financial Position, which provides information on the Government's cash requirements for operating and investing activities, and how these activities were financed.

Other sections in this volume, together with Volumes II and III of the Public Accounts, are designed to provide more detailed information supporting the financial statements.

STATEMENT OF RESPONSIBILITY

The financial statements in this section were prepared by the Government of Canada in accordance with the accounting policies set out in Note 1 to the statements and, except for the changes in accounting policies as explained in Note 3, on a basis consistent with that of the preceding year.

Responsibility for the integrity and objectivity of the financial statements rests with the Government. The financial statements are prepared under the joint direction of the President of the Treasury Board, the Minister of Finance, and the Receiver General for Canada, in compliance with governing legislation. The financial statements are generally prepared on an accrual basis of accounting; a notable exception is that tax revenues are reported on a cash basis. Furthermore, fixed assets are charged to budgetary expenditure at the time of acquisition or construction. The information included in these financial statements is based on the Government's best estimates and judgement, with due consideration given to materiality.

To fulfill its accounting and reporting responsibilities, the Government maintains systems of financial management and internal control which give due consideration to costs, benefits and risks, and which are designed to provide reasonable assurance that transactions are properly authorized by Parliament, are executed in accordance with prescribed regulations, and are properly recorded so as to maintain accountability of public money and safeguard the assets and properties of Canada under Government administration. The Receiver General for Canada maintains the accounts of Canada, a centralized record of the Government's financial transactions, and obtains additional information as required, from departments, agencies and Crown corporations, to meet accounting and reporting requirements.

The Auditor General of Canada provides an independent opinion on the financial statements prepared by the Government. The duties of the Auditor General in that respect are set out in Section 6 of the Auditor General Act which states in part that the Auditor General "shall express his opinion as to whether they (the financial statements) present fairly information in accordance with stated accounting policies of the federal government and on a basis consistent with that of the preceding year together with any reservations he may have".

Annually, the financial statements are tabled in Parliament as part of the Public Accounts, and are referred to the Standing Committee on Public Accounts, which reports to Parliament on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinion.

On behalf of the Government of Canada.

J.A. MACDONALD

Comptroller General of Canada

FREDERICK W. GORBET Deputy Minister of Finance

ALAN G. ROSS
Acting Deputy Receiver General for Canada

GOVERNMENT OF CANADA

Statement of Transactions for the Year Ended March 31, 1990 (in millions of dollars)

| | 1990 | 1989 |
|---|-----------------------|-----------------------|
| BUDGETARY TRANSACTIONS | | |
| Revenue Expenditure | 113,707 -142,703 | 104,067 -133,018 |
| Deficit | -28,996 | -28,951 |
| NON-BUDGETARY TRANSACTIONS Loans, investments and advances Specified purpose accounts Other transactions | 1,050 6,418 998 | 1,044 4,900 527 |
| Net source | 8,466 | 6,471 |
| Financial requirements(excluding foreign exchange transactions) | -20,530 | -22,480 |
| FOREIGN EXCHANGE TRANSACTIONS 113 | -697 -21,227 | -5,730 -28,210 |
| UNMATURED DEBT TRANSACTIONS Change in cash | 20,906 -321 | 28,510 300 |
| CASH BALANCE AT BEGINNING OF YEAR | 1,833 | 1,533 |
| CASH BALANCE AT END OF YEAR | 1,512 | 1,833 |

The accompanying notes are an integral part of this statement.

Cash requirements (-).

Details can be found in other sections of this volume.

GOVERNMENT OF CANADA

Statement of Accumulated Deficit for the Year Ended March 31, 1990 (in millions of dollars)

| | 1990 | 1989 |
|--|----------------------|----------------------|
| Accumulated deficit, beginning of year As previously reported | 320,918 8,047 | 292,184 7,830 |
| Accumulated deficit, beginning of year (as restated for 1989) | 328,965 | 300,014 |
| Deficit before change in accounting policies (as previously reported for 1989) Net increase in deficit due to consolidation and valuation of certain assets and liabilities(Note 3) | 28,629 367 | 28,734 217 |
| Deficit (as restated for 1989) | 28,996 | 28,951 |
| Accumulated deficit, end of year (as restated for 1989) | 357,961 | 328,965 |
| | | |

The accompanying notes are an integral part of this statement.

Details can be found in other sections of this volume.

⁽¹⁾ Change in unmatured debt payable in foreign currencies, -\$2,645 million in 1990 (-\$2,962 million in 1989), has been included as part of foreign exchange transactions.

GOVERNMENT OF CANADA

Statement of Revenue and Expenditure for the Year Ended March 31, 1990

(in millions of dollars)

| | | 1990 | 1 | 989 |
|--|---|---|---|---|
| | Gross | Net | Gross ^{{1} } | Net ^[1] |
| REVENUE, Table 3.1, Section 3— | | | | |
| TAX REVENUE | | | | |
| Income tax— | | | | |
| Personal(Note 5) | 51,895 | 51,895 | 46,026 | 46,026 |
| Corporation | 13,021 | 13,021 | 11,730 | 11,730 |
| Unemployment insurance contributions | 10,738 | 10,738 | 11,268 | 11,268 |
| Non-resident | 1,361 | 1,361 | 1,578 | 1,578 |
| | 77,015 | 77,015 | 70,602 | 70,602 |
| Excise taxes and duties— | | | | ŕ |
| Sales tax | 17,672 | 17,672 | 15,645 | 15,645 |
| Customs import duties | 4,587 | 4,587 | 4,521 | 4,521 |
| Energy taxes | 2,472 | 2,471 | 2,648 | 2,646 |
| Other | 3,919 | 3,425 | 3,458 | 2,959 |
| | 28,650 | 28,155 | 26,272 | 25.771 |
| Other tax revenue | 226 | 226 | 265 | 265 |
| Other tax revenue | 105,891 | 105,396 | 97,139 | |
| NON-TAX REVENUE | 200,021 | 200,000 | 77,137 | 96,638 |
| Return on investments | 5,967 | 5,850 | 5,654 | 5,547 |
| Other non-tax revenue | 5,300 | 2.461 | | |
| Other non-tax revenue | 11,267 | 8,311 | 4,374 | 1,882 |
| | 11,207 | 0,011 | 10,028 | 7,429 |
| TOTAL REVENUE (Note 5) | 117,158 | 113,707 | 107,167 | 104,067 |
| EXPENDITURE, [2] Table 4.1, Section 4— | | | | |
| Major transfer and subsidy payments, Tables 4.4 and 4.5, Section 4— | | | | |
| To persons— | | | | |
| in the second se | | | | |
| Old age security benefits, guaranteed income supplements | | | | |
| | 16.154 | 16.154 | 15.202 | 15.202 |
| and spouses' allowances | 16,154 11,694 | 16,154 11,694 | 15,202 10,972 | |
| and spouses' allowances Unemployment insurance benefits | 11,694 | 11,694 | 10,972 | 10,972 |
| and spouses' allowances Unemployment insurance benefits Family allowances | 11,694 2,653 | 11,694 2,653 | 10,972 2,606 | 10,972 2,606 |
| and spouses' allowances Unemployment insurance benefits | 11,694 2,653 1,708 | 11,694 2,653 1,708 | 10,972 2,606 1,612 | 10,972 2,606 1,612 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits | 11,694 2,653 | 11,694 2,653 | 10,972 2,606 | 10,972 2,606 1,612 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— | 11,694 2,653 1,708 32,209 | 11,694 2,653 1,708 32,209 | 10,972 2,606 1,612 30,392 | 10,972 2,606 1,612 30,392 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements | 11,694 2,653 1,708 32,209 8,937 | 11,694 2,653 1,708 32,209 | 10,972 2,606 1,612 30,392 8,127 | 10,972 2,606 1,612 30,392 8,127 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services | 11,694 2,653 1,708 32,209 8,937 6,663 | 11,694 2,653 1,708 32,209 8,937 6,663 | 10,972 2,606 1,612 30,392 8,127 6,678 | 10,972 2,606 1,612 30,392 8,127 6,678 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan Education support | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan Education support | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan Education support Total major transfer and subsidy payments(Note 7) | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan Education support Total major transfer and subsidy payments(Note 7) Other program expenditures (Note 7)— | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 | 15,202 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan Education support Total major transfer and subsidy payments(Note 7) Other program expenditures (Note 7)— Defence | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 11,800 3,824 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 11,293 3,849 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan Education support Total major transfer and subsidy payments(Note 7) Other program expenditures (Note 7)— Defence External affairs and aid | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 11,452 3,784 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 11,026 3,818 33,025 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan Education support Total major transfer and subsidy payments(Note 7) Other program expenditures (Note 7)— Defence External affairs and aid All other government organisations Total other program expenditures | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 11,800 3,824 36,729 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 11,452 3,784 33,666 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 11,293 3,849 35,827 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 11,026 3,818 33,025 47,869 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan Education support Total major transfer and subsidy payments(Note 7) Other program expenditures (Note 7)— Defence External affairs and aid All other government organisations Total other program expenditures Public debt | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 11,800 3,824 36,729 52,353 38,820 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 11,452 3,784 33,666 48,902 38,820 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 11,293 3,849 35,827 50,969 33,169 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 11,026 3,818 33,025 47,869 33,169 |
| and spouses' allowances Unemployment insurance benefits Family allowances Veterans' benefits To other levels of government— Fiscal arrangements Insurance and medical care services Canada Assistance Plan Education support Total major transfer and subsidy payments(Note 7) Other program expenditures (Note 7)— Defence External affairs and aid All other government organisations Total other program expenditures | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 11,800 3,824 36,729 52,353 | 11,694 2,653 1,708 32,209 8,937 6,663 5,006 2,166 22,772 54,981 11,452 3,784 33,666 48,902 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,980 11,293 3,849 35,827 50,969 | 10,972 2,606 1,612 30,392 8,127 6,678 4,556 2,227 21,588 51,986 11,026 3,818 33,025 47,869 |

The accompanying notes are an integral part of this statement.



Details can be found in other sections of this volume.

[1] The difference between Gross and Net is revenue credited to appropriations and revenue of consolidated Crown corporations.

Expenditure is now reported by type of payments, replacing the envelope basis used in previous years.

GOVERNMENT OF CANADA

Statement of Assets and Liabilities as at March 31, 1990

(in millions of dollars)

| | 1990 | 1989 | Net increase or decrease (- |
|--|---------|---------|--------------------------------|
| FINANCIAL ASSETS | • | | |
| LOANS, INVESTMENTS AND ADVANCES, Table 6.1, Section 6— | | | |
| Enterprise Crown corporations (Notes 9 and 16)— | | | |
| Lending institutions— | | | |
| Canada Deposit Insurance Corporation | 1,375 | 1,695 | -320 |
| Canada Mortgage and Housing Corporation | 8,703 | 8,904 | -201 |
| Export Development Corporation | 772 | 697 | 75 |
| Farm Credit Corporation | 3,368 | 3,472 | -104 |
| Federal Business Development Bank | 294 | 294 | 1000 |
| | 14,512 | 15,062 | -550 |
| All other enterprise Crown corporations— | | | -0.7 |
| Canadian National Railway Company | 2,440 | 2,452 | -12 |
| Petro-Canada | 4,299 | 4,299 | |
| Other | 726 | 724 | 2 |
| | 7,465 | 7,475 | -10 |
| Less: allowance for valuation | 4,300 | 4,200 | 100 |
| Total enterprise Crown corporations | 17,677 | 18,337 | -660 |
| Provincial and territorial governments | 1,023 | 883 | 140 |
| National governments including developing countries (Note 10) | 3,495 | 4,191 | -696 |
| International organizations (Note 10) | 4,666 | 4,621 | 45 |
| Less: notes payable | 1,882 | 1,907 | -25 |
| | 2,784 | 2,714 | 70 |
| Veterans' Land Act Fund advances less allowance for conditional benefits | 74 | 91 | -17 |
| Joint and mixed enterprises | 267 | 629 | -362 |
| Miscellaneous | 1,565 | 1,690 | -125 |
| | 9,208 | 10,198 | -990 |
| Less: allowance for valuation | 6,200 | 6,800 | -600 |
| Total other loans, investments and advances | 3,008 | 3,398 | -390 |
| TOTAL LOANS, INVESTMENTS AND ADVANCES | 20,685 | 21,735 | -1.050 |
| FOREIGN EXCHANGE ACCOUNTS, Table 9.1, Section 9— | 20,000 | 21,755 | -1,000 |
| International reserves held in the Exchange Fund Account, Table 9.2, Section 9 (Note 11) | 15,393 | 17,422 | -2,029 |
| International Monetary Fund—Subscriptions | 4,474 | 4,534 | -2,029 -60 |
| International Monetary Fund—Subscriptions | 19,867 | 21.956 | -2,089 |
| Less: International Monetary Fund—Notes payable | 3,859 | 3,985 | -126 |
| Special Drawing Rights allocations | 1,186 | 1.201 | -15 |
| Special Diawing Rights anocations | 5,045 | 5.186 | -13 -141 |
| TOTAL HODDING PROPERTY COOKING | | | |
| TOTAL FOREIGN EXCHANGE ACCOUNTS | 14,822 | 16,770 | -1,948 |
| ACCOUNTS RECEIVABLE, Table 11.1, Section 11 | 2,320 | 2,157 | 163 |
| CASH IN TRANSIT, Table 11.2, Section 11 | 2,136 | 2,087 | 49 |
| CASH,Table 11.3, Section 11 | 1,512 | 1,833 | -321 |
| TOTAL FINANCIAL ASSETS | 41,475 | 44,582 | -3,107 |
| FIXED ASSETS (valued at one dollar), Section 11 | | | |
| ACCUMULATED DEFICIT (Note 8) | 357,961 | 328,965 | 28,996 |
| TOTAL | 399,436 | 373,547 | 25,889 |

| | 1990 | 1989 | Net increase or decrease (- |
|---|---|---------|--------------------------------|
| LIABILITIES | | | |
| SPECIFIED PURPOSE ACCOUNTS, Table 7.1, Section 7— | | | |
| Canada Pension Plan Account (Note 12) Less: securities held by the Canada Pension | 39,445 | 37,603 | 1,842 |
| Plan Investment Fund | 26 402 | 25.062 | 1 400 |
| Plan investment Fund | 36,483 | 35,063 | 1,420 |
| 0 | 2,962 | 2,540 | 422 |
| Superannuation accounts (Note 13) | 70,997 | 64,613 | 6,384 |
| Government Annuities Account | 907 | 948 | -41 |
| Deposit and trust accounts | 1,156 | 1,221 | -65 |
| Provincial tax collection agreements account | 1,398 | 1,766 | -368 |
| Other | 920 | 834 | 86 |
| TOTAL SPECIFIED PURPOSE ACCOUNTS | 78,340 | 71,922 | 6,418 |
| OTHER LIABILITIES, Table 8.1, Section 8— | 10.217 | 10.200 | 70 |
| Interest and matured debt | 10,317 | 10,389 | -72 -72 |
| Less: unamortized discount on Canada and Treasury bills | 4,029 | 3,266 | 763 |
| | 6,288 | 7,123 | -835 |
| Accounts payable | 9,642 | 8,112 | 1,530 |
| Outstanding cheques and warrants | 2,546 | 2,369 | 177 |
| Allowance for employee benefits Allowance for borrowings of agent enterprise Crown corporations expected | 4,200 | 4,300 | -100 |
| to be repaid by the Government— | | | |
| Borrowings of agent enterprise Crown corporations, Table 6.7, Section 6 (Note 9) | 16,708 | 15,001 | 1,707 |
| Less: borrowings expected to be repaid by these enterprise Crown corporations | 13,158 | 11,816 | 1,342 |
| | 3,550 | 3,185 | 365 |
| Miscellaneous | 308 | 235 | 73 |
| TOTAL OTHER LIABILITIES | 26,534 | 25,324 | 1,210 |
| UNMATURED DEBT, Tables 10.1 and 10.10, Section 10 (Note 14)— | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | |
| Payable in Canadian currency— | | | |
| Marketable bonds | 127,682 | 115,748 | 11,934 |
| Canada savings bonds | 40,929 | 47,756 | -6,827 |
| Special non-marketable bonds issued to the Canada Pension Plan | 70,727 | 47,750 | -0,027 |
| Investment Fund | 3,072 | 3,005 | 67 |
| | • | | |
| Treasury bills | 118,550 | 102,700 | 15,850 |
| | 290,233 | 269,209 | 21,024 |
| Less: Government's holdings of unmatured debt | 1,346 | 1,228 | 118 |
| | 288,887 | 267,981 | 20,906 |
| Payable in foreign currencies— | | | |
| Marketable bonds | 4,128 | 5,373 | -1,245 |
| Notes and loans | 177 | 1,911 | -1,734 |
| Canada bills | 1,446 | 1,131 | 315 |
| | 5,751 | 8,415 | -2,664 |
| Less: Government's holdings of unmatured debt | 76 | 95 | -19 |
| | 5.675 | 8,320 | -2,645 |
| TOTAL UNMATURED DEBT | 294,562 | 276,301 | 18,261 |
| | | | |
| TOTAL | 399,436 | 373,547 | 25,889 |

The accompanying notes are an integral part of this statement. Details can be found in other sections of this volume.

GOVERNMENT OF CANADA

Statement of Changes in Financial Position for the Year Ended March 31, 1990

(in millions of dollars)

| | | 1990 | | |
|--|----------|---------------|--------|--------|
| | Receipts | Disbursements | Net | Net |
| DACH DEGLIDEMENTS EGD. | | | | (410) |
| CASH REQUIREMENTS FOR: | | | | , |
| Operating activities— Deficit | | | 28,996 | 28,951 |
| Less: outflows (inflows) not requiring (resulting in) cash | | | 20,770 | 20,751 |
| Provision for valuation of assets and liabilities | | | 665 | 2,173 |
| Government contributions for employee benefits | | | 1,014 | 1,021 |
| Interest on — employee superannuation accounts | | | 6,373 | 5,748 |
| — other specified purpose accounts | | | 600 | 513 |
| Increase in accounts receivable | | | -163 | -30 |
| Net increase or decrease(-) in accounts payable | | | - | |
| and accrued liabilities | | | 880 | 1,364 |
| Net increase or decrease(-) in accrued interest and | 3 | | | |
| unamortized discount on the public debt | | | -835 | -2,477 |
| Cash required for operating activities | | 7 | 20,462 | 20,639 |
| nvesting activities— | | | | |
| Net repayments of loans investments and advances [1] | 6,020 | 4,519 | -1,501 | -54 |
| Net disbursements in specified purpose accounts [1] | 44,228 | 45,797 | 1,569 | 2,382 |
| ash required for investing activities | 50,248 | 50,316 | 68 | 1,84 |
| OTAL CASH REQUIREMENTS | | | 20,530 | 22,480 |
| | | _ | | |
| INANCED BY: | 1 | | | |
| oreign exchange accounts | 57,437 | 55,489 | 1,948 | -2,768 |
| ssues or redemptions (-) of foreign debt — | | - 4 | | |
| Payable in foreign currencies | 7,375 | 10,039 | -2,664 | -2,879 |
| Changes in Government's holdings of debt | -117 | -136 | 19 🕴 | -83 |
| | 7,258 | 9,903 | -2,645 | -2,962 |
| | 64,695 | 65,392 | -697 | -5,730 |
| ssues or redemptions (-) of debt — | 1 | | | |
| Payable in Canadian currency — | | | | |
| Marketable bonds | 21,958 | 10,024 | 11,934 | 11,84 |
| Treasury bills | 297,900 | 282,050 | 15,850 | 21,650 |
| Other | 9,400 | 16,160 | -6,760 | -5,054 |
| Changes in Government's holdings of debt | -2,139 | -2,021 | -118 | 6.5 |
| | 327,119 | 306,213 | 20,906 | 28,510 |
| let decrease (increase)(-) in cash | | | 321 | -30 |
| | | 0 | 20,530 | 22.49 |
| TOTAL CASH PROVIDED FOR ALL ACTIVITIES | | | 20,330 | 22,480 |

The accompanying notes are an integral part of this statement. Details can be found in other sections of this volume.

(1) Figures differ form

Figures differ from those shown in the Statement of Transactions because non-cash transactions have been re-classified and shown separately under Deficit.

Notes to the Financial Statements of the Government of Canada

1. Significant Accounting Policies

i. Government of Canada reporting entity

For the purpose of reporting in these financial statements, the Government of Canada is defined as all organizations which are accountable for the administration of their affairs and resources either to a Minister of the Government or directly to Parliament, and which are owned or controlled by the Government.

ii. Method of accounting for Government organizations

Except for Government enterprises, all Government organizations are accounted in the financial statements by consolidation. Government enterprises are accounted for by the cost method and are defined to be those corporate organizations that sell goods and services to individuals and non-government organizations as their principal activity, and are not appropriation-dependent.

iii. Classification of financial transactions

The financial transactions of the Government, as recorded in the accounts of Canada and reported in the Public Accounts, are classified into budgetary, non-budgetary, foreign exchange and unmatured debt transactions.

In general terms, budgetary transactions enter into the calculation of the annual deficit or surplus and are reported on the Statements of Revenue and Expenditure and Accumulated Deficit. All other transactions lead to the acquisition or disposal of financial claims or to the creation or discharge of financial obligations, and are disclosed on the Statement of Assets and Liabilities.

For purposes of reporting, the Public Accounts uses the classification in force at the end of the year to which the report refers and amounts for the previous year are reclassified retroactively to conform to the current year's presentation.

iv. Budgetary transactions

REVENUE

Revenue consists of all tax and non-tax amounts which affect the annual deficit or surplus of the Government.

The Government generally reports tax revenue in the year in which it is received. Refunds of tax revenue are allocated to the year in which the processing cycle for the assessment of the related tax return has been started.

Tax revenue is reported net of refunds, and excludes taxes collected on behalf of provinces and territories, and amounts credited to other liability accounts.

Non-tax revenue is now reported in the year in which the transactions or events occurred that gave rise to the revenue and may also include charges related to the provision for non-tax accounts receivable.

On the Statement of Revenue and Expenditure, revenue is reported both gross and net. The difference between the two is revenue from outside parties credited to appropriations and revenue of consolidated Crown corporations credited to expenditure.

EXPENDITURE

Expenditure consists of all charges to budgetary appropriations which affect the annual deficit or surplus of the Government. Such charges include those for work performed, goods received, services rendered, and transfer payments made, during the year, and include accounts payable at year end. Expenditure may also include charges related to the allowance for valuation of loans, investments, and advances, the allowances for general contingencies, the allowance for borrowings of agent enterprise Crown corporations, and other accounts payable and allowances.

On the Statement of Revenue and Expenditure, expenditure is reported both gross and net. The difference between the two is revenue from outside parties credited to appropriations and revenue of consolidated Crown corporations credited to expenditure.

v. Assets

Assets are defined as the financial claims acquired by the Government on outside organizations and individuals as a result of events and transactions that occurred during the year.

However, as a result of the Government's accounting policies described above, certain financial claims are not reported on the Statement of Assets and Liabilities. The most important of these are accounts receivable, net of refunds payable, for tax revenue.

vi. Liabilities

Liabilities are defined as the financial obligations of the Government to outside organizations and individuals as a result of events and transactions that occurred during the year.

The borrowings of all enterprise corporations which are agents of the Crown are recorded as a liability of the Government, net of borrowings expected to be repaid directly by these corporations.

vii. Fixed assets

The fixed assets of the Government, which include land, engineering structures and works (such as canals, harbours and roads), buildings, and machinery and equipment, are charged to budgetary expenditure at the time of acquisition or construction. Their existence, however, is acknowledged on the Statement of Assets and Liabilities by reporting them at the nominal value of \$1.

viii. Valuation of assets and liabilities

ASSETS

Assets are recorded at cost and are subject to annual valuation to reflect reductions from the recorded value to the estimated realizable value. In the case of loans to sovereign states, the Government views these loans as collectible unless formally repudiated by the debtor. The allowance for valuation includes reductions from the recorded value of loans (and subscriptions to international organizations that make similar loans) with significant concessionary terms.

The Government's gold reserves are included in the International reserves held in the Exchange Fund Account and are recorded and valued at the Canadian dollar equivalent of 35 Special Drawing Rights per fine ounce. The Special Drawing Right is an international currency created by the International Monetary Fund, and allocated to countries participating in its Special Drawing Rights Department. It represents a unit of account defined in terms of a "basket" of five major currencies.

LIABILITIES

Liabilities are recorded at the amounts ultimately payable. Liabilities for termination benefits, the superannuation plans, and the Government Annuities Account are reported on an actuarial basis. For the basic superannuation accounts, actuarial deficiencies are amortized, surpluses are not.

ix. Allowances for general contingencies

The Government establishes allowances in respect of potential debt or debt service relief measures for financially troubled countries under multilateral agreements.

x. Translation of foreign currency transactions

Foreign currency transactions are translated and recorded in Canadian dollar equivalents at the exchange rates prevailing at the transaction dates.

Assets and liabilities resulting from foreign currency transactions are, in turn, reported at year-end closing rates of exchange; net gains are credited to revenue, while net losses are charged to expenditure.

2. Authorities for Transactions

Revenue can be raised and moneys can be borrowed only with the authority of Parliament. All receipts of money by departments and agencies must be deposited into the Consolidated Revenue Fund (CRF). All disbursements from the CRF for spending on operations, for loans, investments and advances, and for the redemption of matured debt, must be authorized by Parliament.

i. Authority for raising revenues

The right of Canada to raise taxes and revenues is contained in the Constitution Acts, and is given specific form in various Acts passed by Parliament. The Financial Administration Act provides general statutory direction regarding the collection, handling and accounting for receipts and contains

authority for charging for services or use of facilities. The right of the Government to raise income taxes, excise taxes and duties, tariffs, fines and other revenues and the methods to be used are granted by Parliament in specific legislation related to the type of levy or to ministerial duties and authorities. All bills for the raising of money must originate in the House of Commons and are submitted to the House by the Government. This is normally done through the Minister of Finance's Budget, in which proposed tax and tariff changes required to attain the forecast fiscal policy goals are presented.

ii. Authority for spending on operations

Parliament provides authority to make payments out of the Consolidated Revenue Fund in annual appropriation acts and other statutes (the latter referred to as statutory appropriations). Most Government spending is under statutory authorities, that is authorities which do not generally impose an annual limit on the amount that may be spent. Spending is authorized by reference to statutory formulae or criteria and the authorities usually continue from year to year until changed or rescinded by an act of Parliament. Spending authority provided by statutory appropriations is for specified purposes and for such amounts and such time as the acts prescribe. Spending authority provided by statutory appropriations generally does not lapse at the end of the year in which it was granted. Spending authority granted in appropriation acts is for stated purposes and maximum amounts. Unless provided for in vote wording, unused spending authority granted in appropriation acts lapses at the end of the year for which it was granted. Some authorities continue from year to year and some authorize the respending, within a program, of defined categories of revenue generated by the program.

iii. Authority for loans, investments and advances

These authorities limit the amount of loans, investments or advances that may be made. Unused authority may lapse at the end of a year or may continue from year to year. Non-lapsing authorities often limit only the total of loans that may be outstanding at any one time; thus principal repaid may be reloaned.

iv. Borrowing authority

The Government can borrow only as authorized by acts of Parliament. Borrowing authority acts provide authority for the net amount of new security issues less redemptions during a fiscal year. The authorities lapse at the end of the year except for amounts specifically carried forward to the next fiscal year. Parliament has also provided a continuing authority to the Government under Section 47 of the Financial Administration Act to borrow, for periods not exceeding six months, such amounts as are deemed necessary to meet lawfully authorized disbursements.

Crown corporations (corporations wholly owned by the Crown) that are agents of Her Majesty also may borrow only as authorized by acts of Parliament. Such acts usually place a ceiling on the amount of borrowings that can be outstanding

at any one time. Non-agent Crown corporations can borrow without specific parliamentary authority. Non-agent borrowings are sometimes guaranteed by the Government with the authority of Parliament.

3. Changes in Accounting Policies

In 1990, changes have been made in accounting policies for certain assets and liabilities, and in the definition of the accounting entity. An allowance for the actuarial liability for the indexed part of employee pensions is now recorded, additional specified purpose accounts are now consolidated, and the separate financial statements of certain Crown corporations are now consolidated with the financial statements of the Government. Allowances for valuation of assets and for borrowings of agent enterprise Crown corporations now include general contingencies as described in Note 1(ix). In addition, non-tax revenues are now recorded on an accrual basis, and government debt held by the Canada Pension Plan has been reclassified from unmatured debt to specified purpose accounts.

These changes have been authorized by the President of the Treasury Board and the Minister of Finance under Section 64 (2) (d) of the Financial Administration Act. Such changes are applied retroactively, with restatement of the previous year's deficit and accumulated deficit, for consistency.

The effect of the changes made in 1990, on the accumulated deficit at the beginning of the year and on the annual deficit, is as follows:

i. Effect of changes on the accumulated deficit at the beginning of the year

| | (in millions of dollars | | |
|---------------------------------------|-------------------------|--------|--|
| | 1990 | 1989 | |
| Consolidated specified purpose | | | |
| accounts | -178 | -159 | |
| Consolidation of Crown corporations | -303 | -343 | |
| Allowance for valuation of assets | 1,000 | 1,000 | |
| Allowance for borrowings of agent | r d | | |
| enterprise Crown corporations | 2,735 | 2,470 | |
| Accrual of non-tax revenue | -1,907 | -1,838 | |
| Allowance for actuarial liability for | | | |
| employee pensions | 6,700 | 6,700 | |
| Increase in accumulated deficit at | | | |
| the beginning of the year due | | | |
| to changes in accounting | 0 | | |
| policies | 8,047 | 7,830 | |

ii. Effect of changes on the annual deficit

| | (in millions | of dollars) |
|-------------------------------------|--------------|-------------|
| | 1990 | 1989 |
| Consolidated specified purpose | , | |
| accounts | -19 | -19 |
| Consolidation of Crown corporations | 212 | 40 |
| Allowance for borrowings of agent | | |
| enterprise Crown corporations | 265 | 265 |
| Accrual of non-tax revenue | -91 | -69 |
| Increase in deficit due to changes | n | |
| in accounting policies | 367 | 217 |

4. Spending and Borrowing Authorities

i. Source and disposition of spending authorities

The following table summarizes the authorities made available by Parliament and used by the Government for expenditure, and loans, investments and advances.

| | (in millions of dollars) | | | | |
|--|--------------------------|--|--------------------------------------|---|--|
| - | 1 | 990 | 1 | 989 | |
| | Expenditure (budgetary) | Loans, investments and advances (non- budgetary) | Expen- diture (bud- getary) | Loans, investments and advances (non- budgetary) | |
| Used in the current | | | | | |
| year | 131,945 | 487 | 122,064 | 1,035 | |
| Lapsed | 2,558 | 28 | 2,187 | 84 | |
| Overexpended | -131 | | -33 | | |
| Available for use in subsequent years | 1,355 | 42,895 | 1,245 | 29,299 | |
| Authorities available for use, including those from previous years | 135,727 | 43,410 | 125,463 | 30,418 | |

Details can be found in Tables 1 and 2, Section 1 of Volume II (Part 1) of the Public Accounts.

ii. Reconciliation of expenditure authority

The use of budgetary authority as reported in the above table differs from net total expenditure reported on the Statement of Revenue and Expenditure. Certain specified purpose accounts and certain Crown corporations are consolidated in the Government's financial statements but are not included in the budgetary authorities available for use as shown above. In addition, the authorities above do not include the provision for valuation of assets and liabilities, which is authorized by Section 63 of the Financial Administration Act. These differences are summarized below.

| | (in millions of dollars) | | |
|---|---------------------------------------|---------|--|
| | 1990 | 1989 | |
| Use of budgetary authority per | | | |
| above table | 131,945 | 122,064 | |
| Effect of consolidating certain specified | , , , , , , , , , , , , , , , , , , , | , | |
| purpose accounts— | | | |
| Unemployment Insurance Account | 9,740 | 8,909 | |
| Canadian Ownership | | | |
| Account | | 1 | |
| Western Grain Stabilization | | | |
| Account | -235 | -63 | |
| Other accounts | 512- | 180 | |
| Effect of consolidating Crown | | | |
| corporations | 212 | 40 | |
| Net provision for valuation of assets and liabilities [1] | | | |
| and liabilities (1) | 715 | 2,073 | |
| Internal revenue eliminated | -186 | -186 | |
| Net total expenditure per the | | | |
| Statement of Revenue and Expenditure | 142,703 | 133,018 | |

Details of consolidated specified purpose accounts and consolidated Crown corporations can be found in Section 5 of this volume.

^[1] In the current year, \$1,375 million (\$2,184 million in 1989) was provided for, and \$660 million (\$111 million in 1989) was written-off. The effect on the provision of \$50 million (\$100 million in 1989) due to the consolidation of Crown corporations is not included in this figure but is included as part of the figure on the effect of consolidating Crown corporations.

iii. Overexpenditure of spending authority

The following votes were overexpended. Most of the amounts overexpended represented debts incurred but not paid at the fiscal year end. In the subsequent fiscal year, spending authority for each equivalent appropriation is reduced by the amount of those debts.

| | (in millions of dollars) | |
|---------------------------------|-----------------------------|--|
| | 1990 | |
| National Defence | | |
| Vote 1 - Operating expenditures | 66 | |
| Vote 5 - Capital expenditures | 45 | |
| Transport | | |
| Vote 5 - Capital expenditures | 20 | |
| | 131 | |

Details can be found in the ministerial sections of Volume II (Part I) of the Public Accounts.

iv. Borrowing authorities

The following table shows the borrowing authorities available and the use of such authorities reconciled to the change in unmatured debt as reported on the Statement of Assets and Liabilities.

| | | (in millions of dollars) | | | | | | |
|---|-----------|--------------------------|--------|--|---------------|---------------|--------|--|
| - | | 1990 19 | | | 989 | | | |
| | Available | Used | Lapsed | Available for use in subsequent years | Available | Used | Lapsed | Available for use in subsequent years |
| Authorities which impose a ceiling through borrowing authority acts | 25,175 | 18,747 | | 6,428 | 26,225 750 | 25,575 685 | 65 | 650 |
| Total | 25,175 | 18,747 | | 6,428 | 26,975 | 26,260 | 65 | 650 |
| Net increase in unmatured debt | | 18,261 | | | | 25,548 | | |
| redeemed | | 11 | | | | 88 | | |
| Change in internal holding of Government debt | | 105 | | | | 12 | | |
| Pension Plan | | -67 | | | | -514 | | |
| Change in consolidation adjustments | | -7 | | | | 6 | | |
| Foreign currency adjustments | | 444 | | | | 1,120 | | |
| Total use of borrowing authorities | | 18,747 | | | | 26,260 | | |

Authorizes the Government to borrow, for a fixed period not exceeding six months, amounts necessary to ensure that the Consolidated Revenue Fund will be sufficient to meet lawfully authorized disbursements.

5. Refundable Tax Credits

Entitlements to refundable tax credits are claimed on personal and corporate income tax returns. Claims are settled either by reducing the tax liability for the year or, if no liability exists, by issuing a "refund" cheque. In either case, income tax revenues are reduced, even where no tax had been paid. Had the tax reductions and direct payments due to child tax credits been reported as expenditures, gross total expenditure and personal tax revenue would have increased respectively by \$2,444 million (\$1,598 million in 1989). Likewise, had the tax reductions and direct payments due to the sales tax credit been reported as expenditures, gross total expenditure and personal tax revenue would have increased respectively by \$542 million (\$286 million in 1989). Finally, had the tax reductions due to the investment tax credit been reported as expenditures, gross total expenditure and personal and corporate tax revenue would have increased respectively by \$160 million (\$160 million in 1989).

6. Presentation of Expenditure by Standard Object

Expenditure on the Statement of Revenue and Expenditure is reported by standard object in the following table:

| | | (in millions | of dollars) |
|------------------|--|--------------|-------------|
| Standa Object | | 1990 | 1989 |
| {1} | Personnel | 16,653 | 15,192 |
| (2) | Transportation and communications | 1.970 | 1,640 |
| {3} | Information | 30 | 234 |
| 44 | Professional and special services | 2,701 | 2,142 |
| { 5 } | Rentals | 843 | 831 |
| (6) | Purchased repair and | 0.0 | 001 |
| (0) | maintenance | 1,392 | 1,206 |
| {7} | Utilities, materials and | ., | , |
| (-) | supplies | 2,351 | 2,305 |
| {8} | Construction and/or acquisition of land, | _, | -, |
| (0) | buildings and works | 1,020 | 884 |
| {9} | Construction and/or acquisition of | -, | |
| (-) | machinery and equipment | 3,199 | 3,293 |
| {10} | Transfer payments | 69,455 | 67,206 |
| (iii) | Public debt charges | 38,821 | 33,183 |
| 121 | Other subsidies and payments | 7,719 | 8,002 |
| | Total gross expenditure | 146,154 | 136,118 |
| {13} | Less: revenue credited to the votes | 2,463 | 2,204 |
| (13) | gross revenue of consolidated | 2,403 | 2,204 |
| | Crown corporations | 988 | 896 |
| | Total net expenditure | 142,703 | 133,018 |

Details can be found in Table 5, Section 1 of Volume II (Part I) of the Public Accounts.

7. Transfer Payments and Other Program Expenditures

i. Transfer payments

The Government makes transfer payments to persons, other levels of government, enterprises and non-profit institutions, and international organizations and foreign countries.

Payments to persons essentially constitute an income security framework. Individuals are provided with assistance because of their age (Old Age Security and Family Allowance), because they are temporarily unemployed (Unemployment Insurance), or for other specific purposes.

Payments to other levels of government encompass numerous transfer programs operated by the federal Government under various statutory authorities. The programs are both general and specific in purpose, and include equalization payments and payments for health care, education, and grants in lieu of taxes.

Payments to enterprises include agricultural subsidies for freight, grain storage, oil and gas subsidies for offshore development, incentives, oil import compensation, and freight rate subsidies to railway and transportation companies under various statutory acts.

Payments are made to international organizations that provide development assistance, military protection, and satellite communications. Payments to foreign countries are for official development assistance in the purchase of goods and services. As well, food aid payments are made to international institutions for the benefit of recipients in developing countries.

Payments to non-profit institutions are to universities in aid of research, to non-profit organizations for research and development, and to various national organizations.

The following tables present a summary of transfer payments as classified in the Statement of Revenue and Expenditure and by class of recipients:

Expenditures

(in millions of dollars)

1989

| Major transfers and subsidy payments Transfers and subsidy | 54,981 | 51,980 |
|--|--------------|-------------|
| payments included in other program expenditures | 14,474 | 15,226 |
| Total | 69,455 | 67,206 |
| | (in millions | of dollars) |
| Class of recipients | 1990 | 1989 |
| Persons | 36,402 | 34,146 |
| Provinces, territories and municipalities Subsidies and capital assistance | 25,420 | 24,326 |
| to enterprises | 3,338 | 4,235 |
| foreign countries | 2,629 | 2,795 |
| Non-profit institutions and organizations | 1,666 | 1,704 |
| Total | 69,455 | 67,206 |

Details can be found in Tables 4.4 and 4.5 in Section 4 of this volume and in Section 7 of Volume II (Part II) of the Public Accounts.

ii. Other program expenditures

The following table presents, by organisations, major components included in total other program expenditures:

| | (in millions of dollars) | | | |
|---|--------------------------|--------|--|--|
| Organisations | 1990 | 1989 | | |
| Defence | 11,452 | 11,026 | | |
| External affairs and aid | 3,784 | 3,818 | | |
| Indian Affairs and Northern Development | 3,370 | 3,083 | | |
| Transport | 3,229 | 3,315 | | |
| Employment and Immigration | 3,184 | 2,908 | | |
| Agriculture | 2,812 | 3,300 | | |
| Public Works | 2,740 | 2,631 | | |
| Industry, Science and Technology | 2.651 | 2,559 | | |
| Solicitor General | 2.163 | 2,009 | | |
| Other | 13,517 | 13,220 | | |
| Total | 48,902 | 47,869 | | |

8. Accumulated Deficit

In accordance with its stated accounting policies, revenues and expenditures of certain specified purpose accounts and Crown corporations are included in the revenue and expenditure of the Government. However, enabling legislation requires that the revenues of specified purpose accounts be earmarked and that related payments be charged against such revenue. Any deficiency of payments over revenue must, in accordance with enabling legislation, be met through future revenue of these specified purpose accounts. The table below presents the balances of these specified purpose accounts and the retained earnings of the consolidated Crown corporations included in the accumulated deficit:

| | (in millions | of dollars) |
|---|--------------|-------------|
| | 1990 | 1989 |
| Accumulated deficit excluding consolidated | | |
| accounts | 360,315 | 330,777 |
| Consolidated specified purpose accounts— | | |
| Unemployment Insurance Account Canadian Ownership | -971 | 27 |
| Account | -3,565 | -3,565 |
| Account | 1,164 | 1,410 |
| Crop Reinsurance Fund | 131 | 35 |
| Accounts | 161 | -94 |
| Fund | 502 | 347 |
| Insurance Account | 513 | 509 |
| Other specified purpose accounts | -198 | -178 |
| | -2,263 | -1,509 |
| Consolidated Crown corporations— | | <u> </u> |
| Reversal of allowance for valuation | -200 | -200 |
| Retained earnings | 109 | -103 |
| | -91 | -303 |
| Accumulated deficit | 357,961 | 328,965 |

Details of the consolidated accounts can be found in Section 5 of this volume.

9. Enterprise Crown Corporations

As disclosed in Note 1(ii), the assets, liabilities, revenues and expenses reported in the separate financial statements of enterprise Crown corporations are not consolidated in the Government's financial statements. Loans and investments in enterprise Crown corporations are accounted for by the cost method.

The following tables separately summarize the assets, liabilities, revenues and expenses of the enterprise Crown corporations. All identified transactions and balances between the enterprise Crown corporations and the Government have been reported in the tables.

The tables present the financial transactions and results of operations of the enterprise Crown corporations in accordance with their respective accounting policies. Most enterprise Crown corporations follow generally accepted accounting principles (GAAP)

used by private sector companies. One significant difference between GAAP and the Government's basis of accounting is that under GAAP, non-financial assets such as buildings, machinery, equipment and inventories are reflected as assets and written off over their respective lives or as they are consumed or used. The Government treats the acquisition of non-financial assets as expenditures in the year of acquisition. For those enterprise Crown corporations whose year-end is March 31, the data are based on audited financial statements. For those corporations having other year-ends, the data are based on unaudited interim financial statements which have been prepared on a basis consistent with their most recent audited financial statements.

The corporate financial statements of each enterprise and other consolidated Crown corporation are reproduced in Volume III.

i. Assets and Liabilities

| | | (in million | s of dollars | :) |
|--|-----------------------------------|--|-----------------------------------|--|
| _ | 1 | 990 | 19 | 989 |
| _ | Govern- ment as reported | Enterprise Crown corpor- ations | Govern- ment as reported | Enterprise Crown corpor- ations |
| Assets Financial Outside parties Government and Crown corporations | 23,798 | 32,506 23,515 | 26,245 18,337 | 32,382 21,502 |
| • | | | | |
| Total financial assets . Physical assets and | 41,475 | 56,021 | 44,582 | 53,884 |
| deferred charges | | 17,371 | | 18,842 |
| Total assets · · · · · · | 41,475 | 73,392 | 44,582 | 72,726 |
| Liabilities Outside parties Borrowings Agents Non-agents Bank of Canada notes in circulation and amounts owing | 271,316 | 16,708 1,716 | 254,921 | 15,001 1,715 |
| to depositors Other liabilities Government and | 101,324 | 22,460 7,781 | 94,061 | 21,077 7,390 |
| Crown corporations | 26,796 | 14,805 | 24,565 | 17,046 |
| Total liabilities · · · · · | 399,436 | 63,470 | 373,547 | 62,229 |
| Net assets/liabilities (-) | -357,961 | 9,922 | -328,965 | 10,497 |
| Contingent liabilities | 19,000 | 515 | 9,447 | 403 |

Details can be found in Section 6 of this volume

ii. Revenues and Expenditures/Expenses

| | | (in million | s of dollars |) |
|--|-----------------------------------|--|-----------------------------------|--|
| | 1 | 990 | 19 | 989 |
| | Govern- ment as reported | Enterprise Crown corpor- ations | Govern- ment as reported | Enterprise Crown corpor- ations |
| Revenue Outside parties | 112,752 | 21,141 | 102,888 | 19,275 |
| Crown corporations . | 4,406 | 3,855 | 4,279 | 3,890 |
| Total revenues · · · · · | 117,158 | 24,996 | 107,167 | 23,165 |
| Expenditures/Expenses Outside parties Government and | 141,750 | 20,251 | 130,969 | 18,312 |
| Crown corporations . | 4,404 | 2,279 | 5,149 | 2,431 |
| Total expenditures/ expenses · · · · · · · | 146,154 | 22,530 | 136,118 | 20,743 |
| Deficit (-)/net income for the year [1] Other net changes in | -28,996 | 2,466 | -28,951 | 2,422 |
| equity Outside parties Government and | | -2,165 | | -110 |
| Crown corporations . | | -876 | | -2,030 |
| Change in net assets/ liabilities (-) for the year Net assets/liabilities (-) beginning of year | -28,996 -328,965 | -57 5 | -28,951 -300,014 | 282 10,215 |
| Net assets/liabilities (-) end of year · · · · · · | -357,961 | 9,922 | -328,965 | 10,497 |

Details can be found in Section 6 of this volume

(1) Of the net income of Crown corporations, \$2,402 million (\$2,009 million in 1989) has been remitted to the Government and is included in revenue and the deficit.

In 1989-90, 14,343 common shares having a par value of \$1,434.3 million were surrendered by the Government to Petro-Canada for cancellation. The surrender was authorized by the Government by PC 1990-302 dated February 21, 1990. The reduction in share capital due to the cancellation of the shares by Petro-Canada was offset by an increase in corporate retained earnings. This increase was used to absorb the effects of a write-down in book value of Petro-Canada's net assets resulting from the

adoption of the successful efforts method of accounting. The Government believes that the change in accounting method does not indicate an impairment in the market value of Petro-Canada. As a consequence, and because the Government continues to own 100% of the Corporation, no adjustment has been made in 1989-90 to the net recorded value of the Government's investment in Petro-Canada.

10. International Development Assistance— Loans, Subscriptions, Contingent Liabilities and Commitments

i. Loans to developing countries

Included in loans to National governments of \$3,495 million (\$4,191 million in 1989) are loans to developing countries of \$2,369 million (\$3,048 million in 1989). These loans arise from agreements signed with developing countries before April 1, 1986, are part of Canada's international development assistance program and are either interest-free or bear interest at rates that were more favourable than those prevailing in Canada at the time the assistance was provided. All loans disbursed after April 1,1986 have been treated as budgetary expenditures. The balances outstanding at March 31, grouped by term, are:

| | Grace period before | | (in millions | of dollars) |
|--|------------------------|------------------|--------------|-------------|
| Original term | repayment commences | Interest rate | 1990 | 1989 |
| 10 | - | * | | |
| 17 years | 7 years | | | 1 |
| 20 years | 5 years | 5% | 25 | 27 |
| 25 years | 5 years | 6% | | 1 |
| 30 years | 7 years | 3% | 163 | 167 |
| 35 years | 5 years | * | 2 | 2 |
| 40 years | 10 years | * | , 1 | 1 |
| 50 years | 10 years | * | 2,128 | 2,799 |
| 53 years (1) | 13 years | * | 42 | 42 |
| 53 years ^{1} 55 years ^{1} | 15 years | * | 8 | 8 |
| | | | 2,369 | 3,048 |

^{*} Interest-free.

These loans, by their terms, confer financial benefits on the recipients and have been fully provided for in the allowance for valuation. Details can be found in Section 6 of this volume.

ii. Subscriptions and loans to international organizations

Included in loans, investments and advances--International organizations of \$4,666 million (\$4,621 million in 1989) are subscriptions to the capital of the International Development Association and loans to other international financial institutions of \$4,007 million (\$4,014 million in 1989) which are also part of Canada's development assistance program. These institutions make loans to developing countries on terms similar to those described in sub-section i. Subscriptions to international organizations do not provide a return on investment but are repayable on termination of the organization or on withdrawal therefrom. Details can be found in Section 6 of this volume.

Loans, investments and advances--International organizations are presented net after deduction of notes payable of \$1,882 million (\$1,907 million in 1989), including \$1,852 million (\$1,852 million in 1989) of notes payable to the aforementioned Association and institutions. The notes are non-interest bearing, are non-negotiable, but are payable on

demand, although they are normally encashed over periods of up to seven years, according to the financial requirements of the institutions.

Included in the allowance for valuation is an amount of \$2,155 million (\$2,162 million in 1989) equal to the net position of the Government vis-à-vis these institutions.

iii. Contingent liabilities and commitments

The Government of Canada has entered into agreements with certain international organizations and other sovereign nations under which it commits to disburse funds in future years for specified purposes. Included in this type of commitment are lines of credit issued to international development institutions that may be drawn upon to finance future lending, as well as loans to national governments that have been approved by Parliament but not yet disbursed. These commitments amounted to \$1,676 million at March 31, 1990 (\$1,776 million at March 31, 1989). In addition, the Government has contingent liabilities relating to subscriptions it has made to purchase additional shares of certain international development institutions when requested by these institutions. These contingent liabilities amounted to \$12,730 million at March 31,1990 (\$11,686 million at March 31, 1989).

Details on international development assistance commitments and contingent liabilities can be found in Section 6 of this volume. Contractual commitments related to fixed assets, purchases, operating leases and capital leases are discussed separately in Note 15. Note 17 discloses additional contingent liabilities of the Government of Canada as at March 31, 1990.

11. Gold

Included in International reserves held in the Exchange Fund Account of \$15,393 million (\$17,422 million in 1989) are Canada's gold holdings of 15.92 million fine ounces with a recorded value of \$848 million (17.018 million fine ounces with a recorded value of \$919 million in 1989).

Gold is valued at the Canadian dollar equivalent of 35 Special Drawing Rights (SDRs) per fine ounce, which approximates its cost in foreign currency terms. At March 31, 1990, the Canadian dollar equivalent of 35 SDRs was \$53.25 per fine ounce (\$53.99 per fine ounce in 1989). The SDR is a unit of account used by the International Monetary Fund and is valued in terms of a "basket" of five major currencies.

Alternative bases of valuation could be used to value gold. On a market value basis (\$430.96 per fine ounce in 1990, \$456.97 in 1989), the recorded value would have been \$6,861 million (\$7,777 million in 1989). On the basis of estimated average cost in Canadian dollars at historical rates of exchange \$36.91 per fine ounce in both 1990 and 1989, the recorded value would have been \$588 million (\$628 million in 1989). Further details can be found in the financial statements of the Exchange Fund Account, included in Section 9 of this volume.

^{1} Rescheduled loans.

12. Canada Pension Plan

Under existing legislation, benefits and costs incurred in the administration of the Canada Pension Plan are financed from contributions from employees, employers and self-employed persons, and from interest from the investment of contributions not immediately needed for benefits and costs. Although the Canada Pension Plan was established under federal legislation, the Plan is under the joint control of the Government and the provinces. Any province or group of provinces having 1/3 of the population of Canada can veto any amendment to the Canada Pension Plan that affects the level of contributions or benefits. The Government's authority to pay benefits under the Plan is limited to the balance in the Canada Pension Plan Account which was \$39,445 million at March 31, 1990. Therefore, in accordance with the accounting policies of the Government, the revenues and expenditures of the Plan have not been reported with those of the Government.

In 1990, revenues of the Canada Pension Plan Account were \$11.5 billion (\$10.2 billion in 1989) and expenditures were \$9.6 billion (\$8.6 billion in 1989). The balance of the Canada Pension Plan Account is \$39.4 billion at March 31, 1990 (\$37.6 billion at March 31, 1989). Funds in excess of estimated current operating requirements (\$36.5 billion at March 31, 1990; \$35.1 billion at March 31, 1989) are available for investments in securities of the provinces, territories and of the Government, on the basis of contributions from the jurisdiction to total contributions to the Account.

A long-term funding objective of approximately two years of benefits has been set for the Plan by the establishment of a 25 year schedule of contribution rates starting January 1, 1987. The first 5 years require an annual .2 percentage points shared increase to the initial employer-employee contribution rate of 3.6% of contributory earnings. Contribution rates for the 20 subsequent years involve shared increases of .15 percentage points and are subject to quinquennial federal-provincial reviews. The financial statements of the Account are reproduced in Section 7 of this volume.

13. Superannuation Accounts

The Superannuation accounts liability includes the related specified purpose accounts as well as a supplementary allowance (described in Note 3) used to record any shortfall in the benefit obligations as determined on an actuarial basis.

The Government sponsors defined benefit pension plans for substantially all its full-time employees, principally members of the Public Service, the Canadian Forces and the Royal Canadian Mounted Police (RCMP).

Basic pensions are mostly based on the best 6 years average earnings and are accrued at the rate of 2 percent of average salary per year of service. Benefits are limited, the maximum being seventy percent of final average earnings. Basic pensions are indexed annually (on January 1) to the cost of living under authority of the Supplementary Retirement Benefits Act.

The employee contribution for these basic benefits is 6 1/2 % of pay, less contributions to the Canada or Quebec Pension Plan. In addition, employees contribute 1% of pay towards indexing. For basic benefits, the employer matches the prior year's employee contributions for members of the Public Service, and contributes 1.8 and 2 times current year's contributions for members of the Canadian Forces and the Royal Canadian Mounted Police respectively. Indexation contributions are matched.

The Public Service Superannuation Act also covers the employees of certain Crown corporations, agencies and other institutions. The pension obligations for Crown corporations covered by the Public Service Superannuation Act are limited to matching their employees' contributions; any actuarial deficiency is borne by the Government.

Contributions are credited to the superannuation accounts. The basic superannuation accounts earn interest at rates that are based on the Government of Canada long-term bond rates. The interest rate earned by the basic accounts was about 11% in both 1990 and 1989. The indexation account is credited with interest based on five year Government of Canada bond rates. The rate in 1990 was 9.8% (9.6% in 1989).

Pension obligations exist with respect to several other pension plans. The most significant of which cover all members of Parliament and federally appointed judges.

All basic pension plans are valued on an actuarial basis. The indexing element of the Government's pension plan is valued in its accounts on a pay as you go basis with a supplementary allowance used to record any shortfall as determined on an actuarial basis.

As required under the Public Pensions Reporting Act, actuarial valuations are performed triennially using the projected benefit method prorated on services. The most recent actuarial valuation for each plan was prepared and tabled as follows: Public Service Pension Plan was as at December 31, 1986, the Canadian Forces was as at December 31, 1987, the Royal Canadian Mounted Police, the Federally appointed Judges and the Members of Parliament retiring allowances was as at December 31, 1985. The accrued benefit obligations are determined on an actuarial basis and incorporate management's best estimates of future economic events, such as inflation rates, interest rates and wages and salary increases. The expected long-term inflation rate beginning in 8 years is 3.5%.

The following table discloses pension and related interest costs charged to expenditure in 1989-90.

| | (in millions of dollars) | | | | | |
|---------------------------------|--------------------------|-------------------------|--|---------------|---------------|--|
| | Public Service | Canadi- an Forces | Royal Canadia Mount- ed Police | 1990 Total | 1989 Total | |
| Employer contributions | 517 | 300 | 79 | 896 | 903 | |
| Indexation | 561 | 376 | 79 29 | 966 | 899 | |
| Interest credited to Accounts . | 3,744 | 2,255 | 374 | 6,373 | 5,748 [1] | |
| | 4,822 | 2,931 | 482 | 8,235 | 7,550 | |

^[1] Interest on pension accounts is stated, where applicable, net of amortization of actuarial deficiencies, Interest charged to the public debt represents the total of the two amounts.

Details of the Accounts are reproduced in Section 7 of this volume.

The pension expenditure is included in the Statement of Revenue and Expenditure as a component of other program expenditures. The pension interest expenditure is included in the public debt expenditure.

The Government promises to meet all superannuation obligations arising from it's sponsored plans but separate funds are not maintained.

14. Unmatured Debt

The following table presents interest rates and maturity of debt issues by currency and type at face value.

| | | | (| in millions of dollars | s) | | | |
|--|----------|---|---|---|-------------------|---|---|---------|
| | Mari | ketable bonds | | | | Notes and loans | Canada bills | |
| Maturing date(s) | Canadian | Foreign currencies expressed in Canadian \$ | Canada savings bonds ^[1] | Canada Pension Plan non- marketable bonds | Treasury bills | Foreign currencies expressed in Canadian \$ | Foreign currence expressed in Canadian \$ | Total |
| 1991 | 10,651 | 479 | 3,808 | 5 | 118,550 | 156 | 1,446 | 135,095 |
| 1992 | 13,155 | | 4,274 | 6 | | | | 17,435 |
| 1993 | 10,123 | 807 | 5,540 | 7 | | 21 | | 16,498 |
| 1994 | 12,991 | 582 | 3,429 | 8 | | | | 17,010 |
| 1995 | 13,401 | | | 9 | | | | 13,410 |
| 1996/2000 | 28,204 | 2,260 | 15,662 | 62 | | | | 46,188 |
| 2001/05 | 19,548 | | 8,216 | 92 | | | | 27,856 |
| Subsequent | 19,609 | | | 2,883 | | | | 22,492 |
| | 127,682 | 4,128 | 40,929 | 3,072 | 118,550 | 177 | 1,446 | 295,984 |
| Less: Government's hold- | | | | | | | | |
| ings of unmatured debt | 149 | 76 | 1,197 | | | | | 1,422 |
| | 127,533 | 4,052 | 39,732 | 3,072 | 118,550 | 177 | 1,446 | 294,562 |
| Effective average annual interest rate | 10.57 | | 10.5 10.5 | 10.03 6.75-17.51 | 12.32 6.8-13. | | 8.2 7.9-10.03 | 11.: |

⁽¹⁾ Canada savings bonds are redeemable on demand.

Foreign currency amounts are translated to the Canadian dollar equivalent at year end. At year end, foreign currency borrowings included the following:

| | (in millions of dollars) | | |
|------------------------------|--------------------------|------------------------------|------------------------------|
| | 1990 | 1990 | 1989 |
| Currency | Face value | Canadian \$ equivalent | Canadian \$ equivalent |
| United States dollars | 3,187 | 3,726 | 5,234 |
| Deutsche marks | 2,201 | - ,, _ ₅ | 126 |
| Swiss francs | 400 | 312 | 502 |
| Japanese yens ^[1] | | 1,713 | 2,553 |
| | | 5,751 | 8,415 |

The 1990 and 1989 Canadian \$ equivalent is comprised of the conversion of Yen debt 140,000 million and 1,086 million U.S. dollar swap risks.

The Government has entered into interest rate and currency swap agreements to facilitate management of the risks associated with its interest rate and foreign currency exposure. An interest rate

swap agreement involves the making of interest payments on a variable rate basis against an assumed principal for the duration of the original issue. A currency swap agreement is an exchange of debt into another currency until maturity, when repayment is made in the original currency.

Substantially all the debt of the Government is issued at fixed rates. However at March 31, 1990, the Government had interest swap agreements of U.S.\$950 million and CDN\$3,850 million in notional principal. Under these agreements which expire between 1990 and 1999, fixed interest rate commitments have been converted to variable rates (tied to LIBOR or Banker's Acceptance).

The Government has also entered into currency swap agreements thereby converting future exchange risks of 180,000 million Yen debt to U.S. \$1,086 million debt.

The interest to be paid or interest received on all swap transactions is recorded as part of the public debt in the Statement of Revenue and Expenditure.

15. Contractual Commitments

A contractual commitment represents a written obligation to outside organizations or individuals as a result of a contract. The nature of the Government's activities requires it to enter into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenditure. Major capital assets of the Government are either purchased outright or leased. Where a lease transfers substantially all of the benefits and risks incidental to ownership of the property to the lessee it is considered a capital lease. All other leases are classified as operating leases. Contractual commitments can be classified into four categories: fixed assets, purchases, operating leases and capital leases.

All contractual commitments of \$100 million or more per project are reported in the case of fixed assets, purchases and operating leases. In the case of capital leases, all capital lease arrangements with total minimum lease payments remaining at year end in excess of \$1 million per contract are reported.

The Government's commitments with respect to international development assistance are discussed separately in Note 10 (iii).

The following amounts represent contractual commitments including those of consolidated Crown corporations where indicated at March 31, 1990 which will result in substantial outlays in future years.

i. Fixed assets, purchases and operating leases

| | | (in million | ns of dollars |) |
|---------------------------------|----------------------------|-------------------------------------|----------------------------|-------------------------------------|
| | 19 | 90 | 198 | 9 ⁽¹⁾ |
| | Total estimated cost | Out- standing commit- ment | Total estimated cost | Out- standing commit- ment |
| Fixed assets | 14,414 1,057 | 5,176 517 381 | 18,112 840 | 5,629 108 |
| Total | 15,471 | 6,074 | 18,952 | 5,737 |
| Outstanding commitment by year: | | ¥ | | |
| 1991 1992 | | 2,026 1,314 | . * | 1,656 1,465 |
| 1993 1994 | 1. 17. 1 | 771 | | 878 517 |
| 1995 1996/2000 | 6-1 | 387 | ŧ. | 345 876 |
| | 1910 | 6,074 | | 5,737 |

Details can be found in Section 11 of this volume.

¹²Includes contractual commitments of consolidated Crown corporations.

ii. Capital leases

| | (in millions | of dollars) |
|---|--------------|--------------|
| - | 1990 | 1989[1] |
| | | - 170 |
| Scheduled minimum lease payments to be | 5 (6) | 154 / |
| made in: | | trestantable |
| 1991 | 66 | 67 |
| 1992 | 64 | 66 |
| 1993 | 64 | 64 |
| 1994 | 64 | 64 |
| 1995 | 64 | 64 |
| 1996/2000 | 318 | 318 |
| 2001/05 | 318 | 318 |
| 2006/10 | 322 | 328 |
| 2011/15 | 284 | ~311 |
| 2016/20 | 178 | 181 |
| 2021/25 | 44 | 72 |
| Total commitments under capital lease arrangements –minimum lease | .11 | 0.0 |
| payments | 1,786 | 1,853 |
| Less: imputed interest | 1,242 | 1,306 |
| executory costs | 1 | . 2 |
| Net commitments under capital lease | | |
| arrangements | 543 | 545 |

Details can be found in Section 11 of this volume.

16. Insurance Programs

Three Crown corporations operate insurance programs as agents of Her Majesty. The insurance programs are intended to operate on a self-sustaining basis but in the event that such corporations do not have sufficient funds to meet their obligations, the Government provides the required financing through appropriations, either budgetary or non-budgetary. The Government is of the opinion that no allowance need be established in its financial statements for these insurance programs.

The Canada Deposit Insurance Corporation (CDIC) provides insurance on deposits with member banks and trust and loan companies for up to \$60,000 per depositor per institution. Total insured deposits at March 31, 1990 were \$233,022 million (\$245,123 million at March 31, 1989). The CDIC registered a profit for the twelve month period ended March 31, 1990 of \$174 million (\$74 million in 1989). The deficiency of the CDIC's Deposit Insurance Fund at March 31, 1990 was \$888 million (\$1,062 million at March 31, 1989). The deficiency has been funded in part by loans from the Government of \$1,375 million at March 31, 1990 (\$1,695 million at March 31, 1989). Amendments to the CDIC Act effective June 30, 1987, allow for premium levels to be set by the Governor in Council, at amounts not to exceed 1/6 of 1% of insured deposits. Other amendments allow for premium surcharges in risk situations and raise the loan limits from the Consolidated Revenue Fund from \$1.5 billion to \$3 billion. The Government is of the opinion that, based on current information, this restructuring will allow CDIC, over time, to eliminate its deficiency without budgetary support from the Government.

^[1]Figures for 1989 are for one year increments for 1990 to 1994 and for increments of 5 years for 1995 to 1999.

⁽¹⁾ Figures for 1989 are for one year increments for 1990 to 1994 and for increments of 5 years for 1995 to 2024.

The Canada Mortgage and Housing Corporation administers the Mortgage Insurance Fund (MIF). The MIF provides insurance for mortgage lending on Canadian housing by private institutions. Insurance in force at March 31, 1990 was \$49,830 million (\$45,600 million at March 31, 1989). The MIF had income for the year ended March 31, 1990 of \$165 million (\$179 million in 1989). The surplus of the MIF at March 31, 1990 was \$83 million (\$82 million deficiency at March 31, 1989). Budgetary financial assistance is provided by the Government only to the extent that internally generated funds are insufficient to support cash outflows. In this regard, the MIF's recent excess of receipts over disbursements has resulted in investments in securities of \$568 million at March 31, 1990 (\$511 million in 1989).

The Export Development Corporation provides export and foreign investment insurance for the purpose of facilitating and developing export trade. Insurance in force at March 31, 1990 was \$4,326 million (\$3,496 million in 1989). The Corporation's premium revenues have been adequate to provide for the full costs of claims experienced to date and to establish an allowance for possible future claims based on past claims experience.

This information has not been audited since the information provided is derived from interim financial statements of the three corporations. The most recent annual financial statements of these corporations and their insurance funds can be found in Volume III of the Public Accounts. Details of the transactions for these three insurance programs for the year ended March 31, 1990 can be found in Section 11 of this volume.

17. Contingent Liabilities of the Government of Canada

A contingent liability is a potential liability which may become an actual liability when one or more future events occurs or fails to occur. The contingent liabilities of the Government consist of explicit guarantees and potential losses arising from pending and threatened litigation relating to claims and assessments in respect of breach of contract, damages to persons and property, and like items.

The Government has 6 comprehensive native land claims under negotiation which is the maximum number that may be negotiated at any one time. Two of these claims are awaiting ratification and one has been agreed to in principle. Should all 3 be ratified and the legislation for the settlement thereof be enacted, the Government of Canada would be liable to pay financial compensation of \$1.4 billion which would come due and payable over a number of years. In addition to the compensation payments, the settlement of these 3 claims would lead to implementation costs, estimated to be \$600 million, over the next ten years.

An additional 19 comprehensive native claims have been validated and are awaiting negotiation. A total of 72 specific native claims were also at various stages of the negotiation process as at March 31, 1990. A further 203 specific claims were under review to determine their acceptability for negotiation pursuant to the provisions of the policy on specific claims. The amount of claims for land, financial and other benefits cannot be determined, therefore no amount for such claims is included in contingent liabilities. Failure to reach an acceptable agreement could lead to future litigation cases which would then be reported as contingent liabilities.

The Government's contingent liabilities with respect to international development assistance are discussed separately in Note 10 (iii).

The contingent liabilities of the Government including those of consolidated Crown corporations as at March 31, 1990 amounted to \$19,000 million and are summarized in the following table:

| | (in millions o | of dollars) |
|--|---|--------------------------------|
| | 1990 | 1989 |
| i Explicit guarantees by the Government: Borrowings by non-agent Crown corporations Borrowings by other than Crown corporations Insurance programs of the Government Other explicit guarantees [2] ii Pending and threatcned litigation [3] iii Comprehensive Native Land Claims [4] iv Consolidated Crown corporations | 5,128 1,087 136 10,489 1,964 196 | 4,902 1,427 161 2,751 |
| | 19,000 | 9,447 |

Details can be found in Section 11 of this volume.

- ^{1} Less than \$500,000.
- A letter of comfort has been issued with respect to credit grain sales by the Canadian Wheat Board. The letter states that the Government will assume responsibility for the liabilities arising from defaults in payments by countries purchasing Canadian grain on credit. Receivables under this guarantee amounted to approximately \$4.2 billion at March 31,1990 (\$3.7 billion in 1989).
- [3] Includes \$7.7 billion (\$1.5 billion in 1989) related to native statutory and treaty obligations. This amount represents plaintiffs' claims in 73 (60 in 1989) litigation cases. There are another 120 (120 in 1989) similar cases, for which amounts are not stated in the claims, and for which it is not possible to determine the amounts of contingent liabilities.
- As indicated in the narrative above, there are three comprehensive land claims awaiting ratification: (in millions of dollars)

| Council for Yukon Indians | 248 | |
|-----------------------------------|-----|-------|
| Dene Nation and Métis Association | 504 | |
| Tungavik Federation of Nunavut | 612 | 1,364 |
| Implementation costs related to | | |
| the above claims | | 600 |
| | | 1.964 |

In 1989, no comprehensive land claims had been ratified or agreed to in principle. Three of these claims reached the final stages of negotiations in 1990 and accordingly, the comparative figure for 1989 is nil.



OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE GOVERNMENT OF CANADA

I have examined the statement of assets and liabilities of the Government of Canada as at March 31, 1990 and the statements of revenue and expenditure, accumulated deficit, changes in financial position and transactions for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary to enable me to report as required by Section 6 of the Auditor General Act.

In my opinion, these financial statements present fairly the financial position of the Government of Canada as at March 31, 1990 and the results of its operations, the changes in its financial position and its financial requirements for the year then ended in accordance with the stated accounting policies of the Government of Canada as set out in Note 1 to the financial statements applied, after giving retroactive effect to the changes in accounting policies as explained in Note 3, on a basis consistent with that of the preceding year.

Additional information and comments on the financial statements and this opinion are included in my observations in Chapter 2 of my annual Report to Parliament.

KENNETH M. DYE, F.C.A. Auditor General of Canada

Ottawa, Canada August 3, 1990

section 3

1989-90 PUBLIC ACCOUNTS

Budgetary Revenue

CONTENTS

| | Pa, |
|---|-----|
| Budgetary revenue | 3.3 |
| Revenue by main classification and source | 3.3 |
| Budgetary revenue in 1989-90 | |
| Tax revenue | 3. |
| Non-tax revenue | 3.9 |



BUDGETARY REVENUE

Budgetary revenue consists of all tax and non-tax amounts which affect the annual surplus or deficit of the Government of Canada. Revenue is reported net of refunds, and excludes amounts credited to the Canada Pension Plan Account, superannuation accounts, other specified purpose accounts, and other liability accounts.

The Government generally reports tax revenue in the year in which it is received and excludes taxes collected on behalf of provinces and territories and taxes receivable. Refunds are allocated to the year in which the obligations for refund, as determined by the completion of manual assessment and commencement of the mechanical processing cycle, occur.

Tax revenue for a fiscal year includes receipts credited to the Receiver General by the Bank of Canada and the chartered banks by March 31st and amounts received in federal government offices by March 31st, but not deposited until April or not credited to the Receiver General until April. Tax revenue also includes amounts received in the mail on the first working day of April, except when it is clear that it was the remitter's intention to discharge an obligation arising in the new fiscal year.

The main factors affecting the flow of tax revenue are variations in economic conditions, changes in statutory tax rates, and changes in the base upon which the statutory tax rates are applied and taxes are calculated. Although a taxpayer's income tax liability relates to a taxation year, advance collection of individual and corporation income taxes by payroll deductions

and instalment payments results in a distribution of receipts throughout the year. Similarly, sales and excise taxes and duties are received on a regular basis throughout the year.

The issue of timing for the purposes of accounting and recording of revenues and related receivables in a government environment has been a subject of debate for many years. Should revenue be recognized when cash is received (on a cash basis), or should it be recognized in the period in which the transaction occurred that gave rise to the revenue (on an accrual basis)? In the past, the Government has generally reported revenues, both tax and non-tax, on a cash basis, given the recognized difficulties in reporting tax revenues on an accrual basis. However, following the release of recommendations of the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants, the Government has decided to record non-tax revenues on an accrual basis.

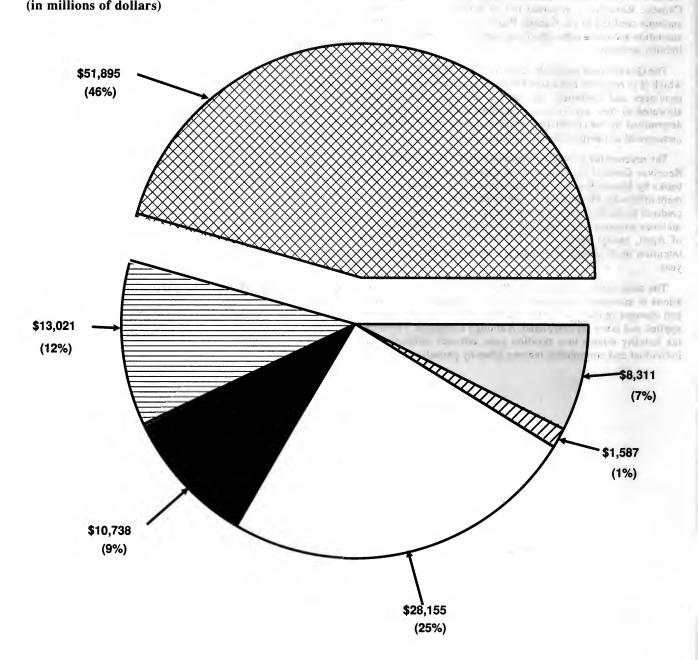
With the release of these Public Accounts, the basis for recording non-tax revenue has been changed to an accrual basis. Non-tax revenue is now recorded in the fiscal year in which the transactions or events occurred that gave rise to the revenue rather than in the year of receipt of the amounts.

Revenue by Main Classification and Source

Chart A presents the total net revenue from outside parties by main classification for the current fiscal year while Chart B compares the total net revenue from outside parties for the last five fiscal years.

CHART A TOTAL NET REVENUE FROM OUTSIDE PARTIES BY MAIN CLASSIFICATION

(in millions of dollars)



BURE OF YMATERICUS

, 11t

The state of the s

| Personal income tax | Excise taxes and duties | |
|--------------------------------------|-------------------------|--|
| Corporation income tax | Other tax revenue | |
| Unemployment insurance contributions | Non-tax revenue | |

AND AND

Ol Control of the Con

CHART B' at the state of the st TOTAL NET REVENUE FROM OUTSIDE PARTIES (in billions of dollars)

3 [

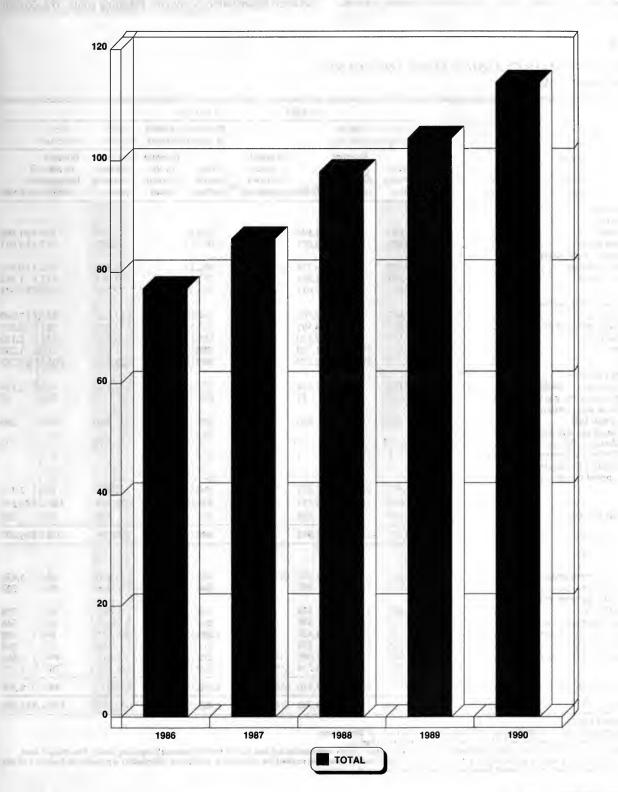


Table 3.1 presents revenue by main classification and source on both a gross and net basis and segregates revenue internal to the Government from revenue from outside parties. The difference between gross and net revenue is revenue credited to appropriations and revenue of consolidated Crown corporations.

In this table, revenue from outside parties represents revenue from organizations and individuals outside the Government of Canada as a reporting entity while revenue internal to the Government represents revenue generated from transactions between organizations within the reporting entity. The Govern-

TABLE 3.1

REVENUE BY MAIN CLASSIFICATION AND SOURCE (in millions of dollars)

| | | | | | 1989-9 | 0 | | | | |
|--|--------------------------|---------------------------------------|---------|---|----------------------------|---------------------------------------|--------------------------|---------------------------------------|---------|--|
| | Gross revenue | | | Revenue credited to appropriations | | | Net revenue | | | |
| | From outside parties [2] | Internal to the Govern- ment | Totalce | Consoli- dated Crown orporations ^{{4} | From outside parties | Internal to the Govern- ment | From outside parties {2} | Internal to the Govern- ment | Total | |
| ax revenue— | | | | | | | | | | |
| Income tax— | | | | | | | | | | |
| Personal | 51,895 | | 51,895 | | | | 51,895 | | 51,89 | |
| Corporation | 13,021 | | 13,021 | | | | 13,021 | | 13,02 | |
| Unemployment insurance | 10.720 | | 10.730 | | | | 10.700 | | | |
| contributions | 10,738 | | 10,738 | | | | 10,738 | | 10,73 | |
| Non-resident | 1,361 | | 1,361 | | | | 1,361 | | 1,36 | |
| | 77,015 | | 77,015 | | | | 77,015 | | 77,01. | |
| Excise taxes and duties— | | | | | | | | | | |
| Sales tax | 17,672 | 97 | 17,769 | | | | 17,672 | 97 | 17,76 | |
| Customs import duties | 4,587 | 4 | 4,591 | | | | 4,587 | 4 | 4,59 | |
| Excise duties | 2,130 | | 2,130 | | | | 2,130 | | 2,13 | |
| Other | 1,789 | | 1,789 | | 494 | | 1,295 | | 1,29 | |
| | 26,178 | 101 | 26,279 | | 494 | | 25,684 | 101 | 25,78 | |
| Energy taxes— | | | | | | | | | | |
| Excise tax—Gasoline | 2,154 | | 2,154 | | | | 2,154 | | 2,15 | |
| Petroleum and gas revenue tax | 57 | | 57 | | | | 57 | | 5 | |
| Excise tax—Aviation gas and | | | | | | | | | _ | |
| diesel fuel | 260 | | 260 | | | | 260 | | 26 | |
| Natural gas and gas liquids tax | | | | | | | | | | |
| Oil export charges | (1) | | {1} | | | | {11. | | (| |
| Petroleum compensation charge Canadian Ownership | 1 | | 1 | | 1 | | | | | |
| special charge | | | | | | | | | | |
| | 2,472 | | 2,472 | | 1 | | 2,471 | | 2,47 | |
| | 28,650 | 101 | 28,751 | | 495 | | 28,155 | 101 | 28,25 | |
| Other tax revenue | 226 | | 226 | | | | 226 | | 22 | |
| tal tax revenue | 105,891 | 101 | 105,992 | | 495 | | 105,396 | 101 | 105,49 | |
| on-tax revenue— | | | | | | | | | | |
| D | 5.047 | | 5.076 | 00 | 20 | | £ 0.50 | 0 | 5.05 | |
| Return on investments, Table 3.2 | 5,967 | 205 | 5,976 | 88 | 29 | 274 | 5,850 | 9 | 5,85 | |
| Proceeds from sales | 422 | 285 | 707 | | 206 | 274 | 216 | 11 | 22 | |
| Refunds of previous years' | 661 | | 550 | | , | | 647 | 8 | 55 | |
| expenditure | 551 | 8 | 559 | | 4 | | 547 | | 555 | |
| Privileges, licences and permits | 587 | 3 000 | 590 | | 242 | 2.022 | 345 | 3 | 348 | |
| Services and service fees | 1,400 | 3,028 | 4,428 | | 1,215 | 3,023 | 185 | 5 | 190 | |
| Domestic coinage | 355 | | 355 | 000 | 0.55 | | 355 | 40 | 355 | |
| Miscellaneous non-tax revenue | 1,985 | 110 | 2,095 | 900 | 272 | 61 | 813 | 49 | 862 | |
| | 5,300 | 3,434 | 8,734 | 900 | 1,939 | 3,358 | 2,461 | 76 | 2,537 | |
| otal non-tax revenue | 11,267 | 3,443 | 14,710 | 988 | 1,968 | 3,358 | 8,311 | 85 | 8,396 | |
| otal revenue ⁽³⁾ | 117 160 | 2544 | 120,702 | 988 | 2,463 | 3,358 | 113,707 | 186 | 113,893 | |

Less than \$500,000.

Reflected on the Statement of Revenue and Expenditure in Section 2 of this volume.

Additional details are provided in Table 6 in Section 1 of Volume II (Part 1).
 In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

ment of Canada as a reporting entity is defined in Note 1 to the audited financial statements in Section 2 of this volume.

Revenue credited to appropriations represents revenue that has been credited to expenditure rather than to revenue where authority has been granted by Parliament. "Total net revenue" represents all budgetary revenue recorded in the accounts of Canada in accordance with the accounting policies of the Government. "Total gross revenue" is derived by adding to "Total net revenue" "Revenue credited to appropriations" and revenue of consolidated Crown corporations.

| | 1988-89 | | | | | | | | | | |
|-------------------------------------|---------------------------------------|-----------------------------------|--|----------------------------|---------------------------------------|--|---------------------------------------|-----------------------------------|--|--|--|
| | Gross Reverence to ap | | | | | | Net revenue | | | | |
| From outside parties [2] | Internal to the Govern- ment | Total | Consoli- dated Crown corporations ^{{4} } | From outside parties | Internal to the Govern- ment | From outside parties ^{{2} } | Internal to the Govern- ment | Tota | | | |
| 46,026 11,730 | | 46,026 11,730 | | | | 46,026 11,730 | | 46,026 11,730 | | | |
| 11,268 1,578 70,602 | | 11,268 1,578 70,602 | | | | 11,268 1,578 70,602 | | 11,268 1,578 70,602 | | | |
| 15,645 - 4,521 1,453 2,005 | 99 6 | 15,744 4,527 1,453 2,005 | | 499 | | 15,645 4,521 1,453 1,506 | 99 6 | 15,744 4,527 1,453 1,506 | | | |
| 23,624 | 105 | 23,729 | | 499 | | 23,125 | 105 | 23,230 | | | |
| 369 -1 | | 105 369 -1 | | | | 105 369 -1 | | 105 369 -1 | | | |
| 2 | | 2 | | 2 | | | | | | | |
| -1 2,648 26,272 265 | 105 | -1 2,648 26,377 265 | | 2 501 | | -1 2,646 25,771 265 | 105 | -1 2,646 25,876 265 | | | |
| 97,139 | 105 | 97,244 | | 501 | | 96,638 | 105 | 96,743 | | | |
| 5,654 328 | 7 283 | 5,661 611 | 85 | 22 185 | 270 | 5,547 143 | 7 13 | 5,554 156 | | | |
| 384 532 1,344 110 | 12 3 2,663 | 396 535 4,007 110 | | 1 223 1,128 2 | 2,659 | 383 309 216 108 | 12 3 4 | 395 312 220 108 | | | |
| 1,676 4,374 | 235 3,196 | 1,911 7,570 | 811 <i>811</i> | 142 1,681 | 193 3,122 | 723 1,882 | 42 74 | 765 1,956 | | | |
| 10,028 | 3,203 | 13,231 | 896 | 1,703 | 3,122 | 7,429 | 81 | 7,510 | | | |
| 107,167 | 3,308 | 110,475 | 896 | 2,204 | 3,122 | 104,067 | 186 | 104,253 | | | |

Budgetary Revenue in 1989-90

Total net budgetary revenue from outside parties increased by 9.2% or \$9,639 million, to \$113,707 million in 1989-90. Tax revenue, which accounts for 93% of total revenue, increased by \$8,757 million or 9.1%, while non-tax revenue increased by \$882 million or 11.8%.

Tax Revenue

The growth in tax revenue reflects a combination of factors. The continued strength in the underlying tax bases, especially personal income, which accompanied the growth in economic activity throughout 1989, was the prime factor underlying the increase in tax revenue. In addition, fiscal and cash management initiatives introduced in past budgets, particularly the introduction of the Large Corporations Tax, the increase in the personal income surtaxes, and the January 1990 initiatives to accelerate the remittance of income taxes contributed to the increase in tax revenue.

Personal Income Tax

The personal income tax is levied on personal income under the provisions of the Income Tax Act. Personal income tax continues to be the largest source of Government revenue, accounting for almost 46% of total budgetary revenue in 1989-90. It amounted to \$51,895 million, an increase of 12.8%, and accounted for more than 61% of the increase in total budgetary revenue.

The increase in personal income tax revenue in 1989-90 was largely due to the strength of the economy, particularly personal income which, in 1989, grew by 9%. The increase in personal income, in turn, reflected the continued strength in employment and advances in wages and salaries.

The increase in personal income tax revenue also reflects the impact of the increases in the high-income and general surtaxes introduced in the April 1989 Budget to reduce the deficit. Dampening the overall impact of the strength in economic activity and the April 1989 Budget measures on personal income tax revenue was the effect of tax reform, introduced in 1988. Although tax reform was effective January 1, 1988, holding tables for source deductions were not changed until July 1, 1988 to reflect the new system, implying substantially larger refund payments in 1989-90 than in 1988-89. Partially offsetting the impact of the higher refunds, however, was the \$1.0 billion one-time acceleration of source deduction remittances from large employers and quarterly instalments from individual taxpayers. Employers with average monthly remittances of \$50,000 or more are now required to remit the tax withholdings from their employees up to four times per month, while the remittance of quarterly income tax instalment payments by individuals was accelerated from the end of the last month of each quarter to the 15th day of the last month of each quarter.

Corporation Income Tax

The corporation income tax is levied on corporation income under the provisions of the Income Tax Act. Corporation income

tax collections amounted to \$13,021 million in 1989-90, an increase of 11% from 1988-89. The growth in corporate tax revenue occurred despite the fact that corporate profits before taxes declined 13.4% relative to the previous year. The increase in corporate income tax revenue in 1989-90 is largely attributable to the impact of tax reform introduced in 1988 and the policy measures introduced in the April 1989 Budget.

The second second

As part of tax reform, corporate income tax rates were lowered and the tax base was substantially broadened. As a result, overall corporate tax revenues have increased as the impact of the base broadening measures more than offset that of the rate reductions. Capital cost allowance rates were decreased and the general investment tax credit has been eliminated. The earned depletion allowance has been phased-out. Many changes were also made to the taxation of financial institutions and life insurance companies. The inclusion rate applying to capital gains has been increased to three-fourths from one-half in 1987 and the use of other tax reductions has been limited — i.e. meals and entertainment expense deductibility, preferred share financing, leasing rules, etc.

In the April 1989 Budget, a new large corporations tax of 0.175% on capital employed in Canada in excess of \$10 million was introduced effective July 1, 1989. In addition, the surtax on corporate income was modified and the remittance of corporate income tax instalments due after 1989 was accelerated.

Unemployment Insurance Contributions

Premiums from employers and employees are levied under the provisions of the Unemployment Insurance Act and are classified as part of budgetary revenue. In 1989-90, unemployment insurance premiums decreased 4.7%, to a level of \$10,738 million. This decline is attributable to the reduction in the 1989 premium rate (the employee premium rate was reduced from \$2.35 per \$100 of insurable earnings in calendar year 1988 to \$1.95 per \$100 of insurable earnings in calendar year 1989). The overall impact of the decline in premium rates in 1989 was partly offset by the strength in employment and labour income, the impact of the acceleration initiative affecting the remittance of source deductions and the increase in premium rates in 1990 (the employee premium rate was increased to \$2.25 per \$100 of insurable earnings for calendar year 1990).

Non-Resident Income Tax

Non-resident income tax is levied on the income earned in Canada by non-residents under the provisions of the Income Tax Act. It is derived from tax withheld from dividends, interest, rents, royalties, alimony, and income from estates and trusts paid to non-residents. It amounted to \$1,361 million in 1989-90, a decrease of 13.8% from its year-earlier level. This decrease reflects extraordinarily large dividend payments made by Canadian companies to foreigners in 1988-89 and the impact of discretionary measures introduced in past budgets which extend the exemption for certain long-term government and corporate debt obligations.

Excise Taxes and Duties

Excise taxes and duties are collected under the Excise Tax Act and Customs Tariff Act. Excise taxes and duties totalled \$28,155 million in 1989-90, an increase of 9.3% over 1988-89.

Sales tax

The sales tax, totalling \$17,672 million in 1989-90, up 13% from that recorded in 1988-89, was the most important tax levied under the Excise Tax Act. The growth in sales tax revenue reflects the strength in consumer and business expenditures throughout 1989 and the impact of the increases in tax rates announced in the April 1989 Budget. More specifically, on June 1, 1989, the general manufacturers' sales tax rate was increased one-and-a-half percentage points to 13.5% and the telecommunication services and programming services rate went to 11% from 10%. The rate applying to construction materials and equipment was increased to 9% from 8% effective January 1, 1990 while the rate applicable to tobacco and alcohol taxes increased to 19% from 18% effective midnight April 28, 1990. This tax is to be replaced by the proposed Goods and Services Tax, effective January 1, 1991.

Customs import duties

Revenues from customs import duties, consisting mainly of ad valorem taxes on the importation of goods levied under the Customs Tariff Act, totalled \$4,587 million in 1989-90, an increase of 1.5% over the previous fiscal year result. The outcome for 1989-90 for customs import duties is influenced by two offsetting factors: on one hand, there was positive growth in the tax base which served to increase revenue while on the other hand, the phase-out, starting January 1, 1989, of all bilateral tariffs under the Canada-U.S. Free Trade Agreement served to reduce customs import duties revenue.

Other excise taxes and duties

Excise duties are levied on alcoholic beverages (other than wines) and tobacco products. In addition to tobacco products, excise taxes are imposed on other items such as jewelry, passenger vehicle air conditioners and telecommunications programming services — i.e. television cable rental and pay television. Other excise taxes and duties revenue amounted to \$3,425 million in 1989-90, up 15.7% from its previous year's level. The increase is largely attributable to the impact of policy changes introduced in the April 1989 Budget — i.e. increases in the excise taxes on telecommunications programming services, manufactured tobacco products and in the excise duties on cigarettes, beer and alcoholic beverages.

Energy taxes

Energy taxes primarily include the excise tax on gasoline and aviation gas and diesel fuel. Prior to the elimination of the National Energy Program, energy taxes also included the petroleum and gas revenue tax, the natural gas and gas liquids tax, oil export charges, the petroleum compensation charge, and the Canadian Ownership Special Charge. Energy tax revenue amounted to \$2,471 million in 1989-90, a decrease of 6.6% relative to last year's result. During 1989-90, the excise tax on gasoline and aviation gasoline was increased by 1-cent-per-litre, midnight April 28, 1990 and by a further 1-cent-per-litre on January 1, 1990. An additional 1-cent-per-litre on leaded gasoline and aviation gasoline was applied effective midnight April 28, 1990.

Other Tax Revenue

Other tax revenue is comprised primarily of withholding taxes on income earned in Canada by non-resident life insurance companies and income from trusts. In 1989-90, other tax revenue amounted to \$226 million, a decrease of 21.1% from 1988-89.

Non-Tax Revenue

Non-tax revenue, consisting of return on investments and other non-tax revenue, increased 10.6% in 1989-90, to \$8,311 million.

Return on Investments

Return on investments consists mainly of interest from loans and advances, transfer of profits and surpluses, and rental income from properties. Return on investments amounted in 1989-90 to \$5,850 million, an increase of 6% over last year's result. Table 3.2 presents a comparative summary of return on investments. The table also discloses the reconciling items between the total ministerial return on investments amount as reported in Table 6 in Section 1 of Volume II (Part I) and the amount as reported in Table 3.1. The reconciling items include an adjustment to the Exchange Fund Account to reflect the net income of the account from January 1, 1990 to March 31, 1990, the revenue of the consolidated specified purpose accounts and the accrual of non-tax revenue amounts. The return on investments internal to the Government has been deducted from the total net return on investments to obtain the total net return on investments from outside parties. Revenue credited to appropriations from outside parties and revenue of consolidated Crown corporations have been included in the latter to obtain total gross return on investments from outside parties.

TABLE 3.2

RETURN ON INVESTMENTS [1]

(in millions of dollars)

| | | | Increase |
|---|--|-----------|-------------|
| _ | 1989-90 | 1988-89 | decrease(-) |
| oans, investments and advances— | it is a second of the second o | | |
| Enterprise Crown corporations— | | | |
| Lending institutions— | (| | |
| Canada Deposit Insurance Corporation | 172 | 134 | 38 |
| Canada Mortgage and Housing Corporation | 822 | 845 | -23 |
| Export Development Corporation | 3 | 2 | 1 |
| Farm Credit Corporation | 239 | 301 | -62 |
| | 1,236 | 1,282 | -46 |
| All other enterprise Crown corporations— | | | |
| Atomic Energy of Canada Limited | 59 | 77 | -18 |
| Canadian National Railway Company | 15 | 16 | -1 |
| Other | | | |
| Bank of Canada | 2,239 | 1,938 | 301 |
| Canada Development Investment Corporation— | | | |
| Eldorado Nuclear Limited | 11 | 1 | 10 |
| Canada Post Corporation | 8 | 4 | 4 |
| Canadian Dairy Commission | 9 | 5 (2) | 4 |
| Montreal Port Corporation | 9 | (2) | 9 |
| Royal Canadian Mint | 62 | 3 | 59 |
| Teleglobe Canada | V2 | - | -50 |
| Vancouver Port Corporation | 23 | 50 {2} | 23 |
| Miscellaneous | 19 | 7 | 12 |
| | 2,454 | 2.101 | 353 |
| | • | | |
| B. C. Calleria, Co. Calleria, | 3,690 | 3,383 | 307 |
| Provincial and territorial governments | 74 | 76 | -2 |
| countries | 50 | 49 | 1 |
| Advances | 5 | 6 | -1 |
| Joint and mixed enterprises | 10 | 16 | -6 |
| Miscellaneous | 21 | 23 | -2 |
| | 160 ° | 170 | -10 |
| | 3,850 | 3,553 | 297 |
| oreign exchange accounts— | | | |
| Exchange Fund Account | 1,661 | 1,658 | 3 |
| International Monetary Fund—Subscriptions | 11 | 6 | 5 |
| _ | | 1.664 | |
| | 1,672 | 1,664 | 8 |
| ash— Interest on bank deposits | 278 | 255 | 23 |
| | | | |
| ther accounts— | | | |
| Interest on investment re: military purchases | 29 | 22 | 7 |
| Government's holdings of unmatured debt | 5 | 7 | -2 |
| Supply Revolving Fund | 8 | 6 | 2 |
| Accrual of non-tax revenue | 11 | 38 | -27 |
| Other | 6 | 9 | -3 |
| | 59 | 82 | -23 |
| otal net return on investments | 5,859 | 5,554 | 305 |
| eturn on investments internal to the Government | -9 | -7 | -2 |
| — — — — — — | -7 | | -2 |
| tal net return on investments from outside parties | 5,850 | 5,547 | 303 |
| evenue credited to appropriations from outside parties | 29 | 22 | 7 |
| onsolidated Crown corporations | 88 | 85 | 3 |
| _ | | | |
| otal gross return on investments from outside parties | 5,967 | 5.654 | 313 |

^[1] Additional details are provided in Table 6 in Section 1 of Volume II (Part I). Less than \$500,000.

Other Non-Tax Revenue

Other non-tax revenue is comprised of refunds of previous years' expenditure, services and services fees, privileges, licences and permits, proceeds from the sale of capital assets and current goods and services, domestic coinage, and miscellaneous non-tax revenue. Other non-tax revenue increased 24.2% to \$2,461 million in 1989-90. This increase was largely attributable to the net proceeds from the gain on sale of the remaining shares of Air Canada and the seigniorage from the sale of new dollar coins.

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SECTION 4

1989-90 PUBLIC ACCOUNTS

Budgetary Expenditure

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BUDGETARY EXPENDITURE

Budgetary expenditure consists of all charges to budgetary appropriations which affect the annual deficit or surplus of the Government. Such charges include those for work performed, goods received, services rendered, and transfer payments made, during the year and in the supplementary period including accounts payable at year end. In addition, budgetary expenditure may also include provisions for valuation of loans, investments and advances, for borrowings of enterprise Crown corporations, which are agents of the Crown, and for other obligations related to statutory items and annual appropriations. As well, net expenditures of the Unemployment Insurance Account, the Western Grain Stabilization Account, the Crop Reinsurance Fund, the Agricultural Commodities Stabilization Accounts and other specified purpose accounts are also included.

Budgetary expenditure excludes amounts charged to the Canada Pension Plan Account, superannuation accounts, other specified purpose accounts and other liability accounts.

With the release of these Public Accounts, changes in accounting policies affecting budgetary expenditure have been made. These changes are in response to reservations and recommendations expressed in the past by the Auditor General and the House of Commons Standing Committee on the Public Accounts. The actuarial liability for the indexed portion of federal government employee pensions is now recorded. Allowances for general contingencies have been established in the event of possible future multilateral agreement by the Organisation for Economic Co-operation and Development countries on debt or debt service reduction with respect to sovereign loans, and Crown corporations, that are appropriation-dependent, are now part of the Government's reporting entity.

Expenditure by Type and Source

Chart A presents the total net expenditure with outside parties by type for the current fiscal year, while Chart B compares the total net expenditure with outside parties for the last five fiscal years.

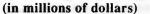
Table 4.1 presents expenditure by type and source. The table is presented on both a gross and a net basis and segregates expenditure with outside parties from expenditure internal to the Government. The difference between gross and net expenditure is revenue credited to appropriations and revenue of consolidated Crown corporations credited to expenditure.

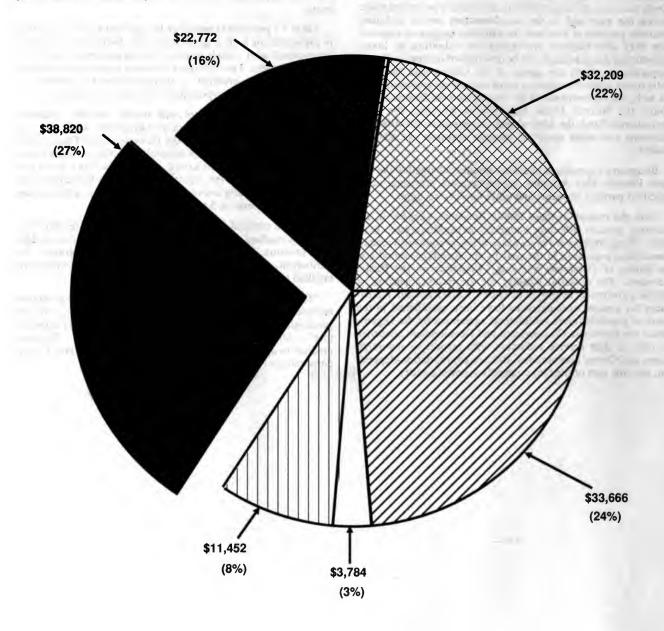
In this table, expenditure with outside parties represents expenditure incurred as a result of transactions with organizations and individuals outside the Government of Canada as a reporting entity. Expenditure internal to the Government represents expenditure incurred in transactions between organizations within the reporting entity. The Government of Canada as a reporting entity is defined in Note 1 to the audited financial statements in Section 2 of this volume.

Revenue credited to appropriations represents revenue that has been credited to budgetary expenditure, rather than budgetary revenue, where such authority has been granted by Parliament, and revenue of consolidated Crown corporations credited to expenditure.

"Total net expenditure" represents all budgetary expenditure recorded in the accounts of Canada in accordance with the accounting policies of the Government. "Total gross expenditure" is derived by adding to "Total net expenditure" "Revenue credited to appropriations" and revenue of consolidated Crown corporations credited to expenditure.

CHART A TOTAL NET EXPENDITURE WITH OUTSIDE PARTIES BY TYPE





AND RESIDENCE AND LODGER.

| Payments to persons | Defence |
|--|--------------------------|
| Payments to other levels of Government | External affairs and aid |
| Public debt | Other Other |

CHART B TOTAL NET EXPENDITURE WITH OUTSIDE PARTIES (in billions of dollars)

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or disk

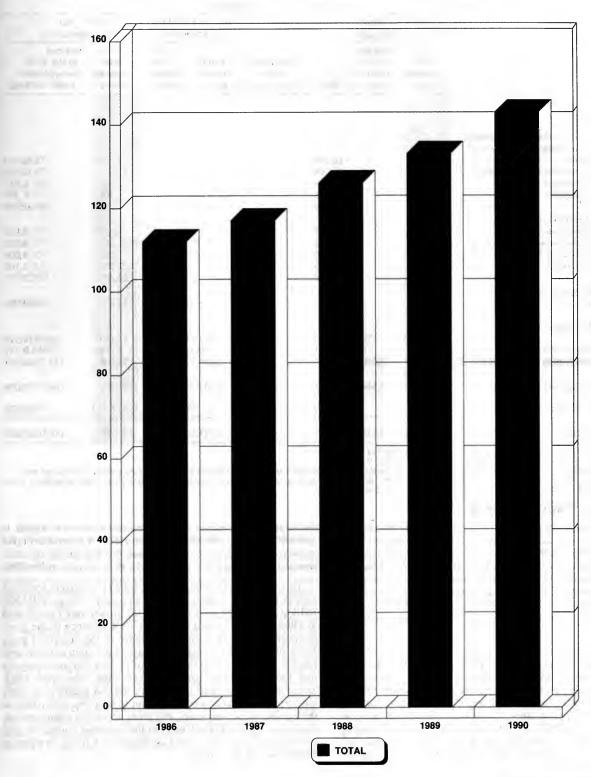


TABLE 4.1

EXPENDITURE BY TYPE AND SOURCE (in millions of dollars)



| | 1989-90 | | | | | | | | | | | |
|---|--------------------------|---------------------------------------|------------------------|--|------------------------------------|---------------------------------------|--------------------------|---------------------------------------|-----------------|--|--|--|
| | Gross expenditure | | | | Revenue credited to appropriations | | | Net expenditure | | | | |
| | With outside parties [1] | Internal to the Govern- ment | Total | Consolidated Crown corporations ^{3} | From outside parties | Internal to the Govern- ment | With outside parties [1] | Internal to the Govern- ment | Total | | | |
| Major transfer and subsidy | | | | | | | | | | | | |
| payments— | | | | | | | | | | | | |
| To persons— | | | | | | | | | | | | |
| Old age security benefits, guaranteed income supplements and spouses' | | | | | | | | | | | | |
| allowances | 16,154 | | 16,154 | | | | , 16,154 | | 16,154 | | | |
| Unemployment insurance benefits | 11,694 | | 11,694 | | | | 11,694 | | 11,694 | | | |
| Family allowances | | | 2,653 | | | | 2,653 | | 2,653 | | | |
| Veterans' benefits | 1,708 32,209 | | 1,708 <i>32,209</i> | | | | 1,708 32,209 | | 1,708 32,209 | | | |
| To other levels of Government- | .4 | | | | | | | | | | | |
| Fiscal arrangements | 8,937 | | 8,937 | | | | 8,937 | | 8,937 | | | |
| Insurance and medical care services . | 6,663 | | 6,663 | | | | 6,663 | | 6,663 | | | |
| Canada Assistance Plan | 5,006 | | 5,006 | | | | 5,006 | | 5,006 | | | |
| Education support | 2,166 | | 2,166 | | | | 2,166 | | 2,166 | | | |
| | 22,772 | | 22,772 | | | | 22,772 | | 22,772 | | | |
| Total major transfer and subsidy | | | | | | | | | | | | |
| payments | 54,981 | | 54,981 | | | | 54,981 | | 54,981 | | | |
| Other program expenditures— | | | | | | | | | | | | |
| Defence | 11,800 | 72 | 11,872 | 1 | 347 | 14 | 11,452 | 58 | 11,510 | | | |
| External affairs and aid | 3,824 | 3 | 3,827 | 10 | 30 | | 3,784 | 3 | 3,787 | | | |
| All other government organizations | 36,729 | 3,469 | 40,198 | 977 | 2,086 | 3,344 | 33,666 | 125 | 33,791 | | | |
| Total other program expenditures | 52,353 | 3,544 | 55,897 | 988 | 2,463 | 3,358 | 48,902 | 186 | 49,088 | | | |
| Public debt, Table 4.2 | 38,820 | | 38,820 | | | | 38,820 | | 38,820 | | | |
| Total expenditure ^{2} | 146,154 | 3,544 | 149,698 | 988 | 2,463 | 3,358 | 142,703 | 186 | 142,889 | | | |

Reflected on the Statement of Revenue and Expenditure in Section 2 of this volume.

Budgetary Expenditure in 1989-90

Total net budgetary expenditure with outside parties increased 7.3% to \$142,703 million in 1989-90, compared to an increase of 5.7% in 1988-89. The increase in the rate of growth in 1989-90 was largely attributable to public debt charges, which advanced by 17%, compared to an increase of 14.3% in 1988-89. The rate of growth in program spending was 4%, up from the increase of 3.1% recorded in 1988-89, but below the rate of inflation, as measured by the consumer price index, of 5%.

Public debt charges, which account for about 27.2% of total Government spending, increased 17%, to \$38,820 million, up from the increase of 14.3% registered in 1988-89. The increase in the rate of growth of public debt charges in 1989-90 reflects the compounding effect of increases in interest rates and the increase in the stock of debt. The continued strength in economic activity in 1989 and the accompanying inflationary pressures resulting from tight labour and product markets resulted in monetary policy remaining restrictive throughout

fiscal year 1989-90. As a result, interest rates were higher in 1989-90 than in 1988-89. Given the stock of federal debt, the impact of these higher interest rates on debt servicing costs resulted in the large increase in public debt charges in 1989-90.

Total program spending - that is, total Government spending excluding public debt charges - advanced 4% to \$103,883 million in 1989-90, up from the 3.1% growth rate experienced in 1988-89. This is well below the 7.8% advance in the gross domestic product and the 5% increase in the consumer price index in 1989. The moderate increase in program expenditures reflects to a large extent the impact of various restraint measures that the Government has introduced since November 1984. These measures include the phasing-out and reduction of various expenditure programs, limits on indexation, reductions in the number of person-years, and other actions to control operating costs. As in 1988-89, most of the increases during the year were in areas of direct social assistance and fiscal transfers to other levels of government.

Additional information is provided in Table 4 in Section 1 of Volume II (Part I).

Additional information is provided in Table 4 in Section 1 of Volume II (Part I).

In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

| | 1988-89 | | | | | | | | | | |
|--------------------------------|---------------------------------------|---------|--|----------------------------|---------------------------------------|--------------------------|---------------------------------------|---------|--|--|--|
| 10 | Gross expenditure | | | | credited priations | | Net expenditure | | | | |
| With outside parties [1] | Internal to the Govern- ment | Total | Consolidated Crown corporations ^{3} | From outside parties | Internal to the Govern- ment | With outside parties {1} | Internal to the Govern- ment | Total | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| 15,202 | | 15,202 | | | | 15,202 | | 15,202 | | | |
| 10,972 | | 10,972 | | | | 10,972 | | 10,972 | | | |
| 2,606 | | 2,606 | | | | 2,606 | | 2,606 | | | |
| 1,612 | | 1,612 | | | | 1,612 | | 1,612 | | | |
| 30,392 | | 30,392 | | | | 30,392 | | 30,392 | | | |
| 8,127 | | 8,127 | | | | 8,127 | | 8,127 | | | |
| 6,678 | | 6,678 | | | | 6,678 | | 6,678 | | | |
| 4,556 | | 4,556 | | | | 4,556 | | 4,556 | | | |
| 2,227 | | 2,227 | | | | 2,227 | | 2,227 | | | |
| 21,588 | | 21,588 | | | | 21,588 | | 21,588 | | | |
| 51,980 | | 51,980 | | | | 51,980 | | 51,980 | | | |
| 11,293 | 101 | 11,394 | 1 | 266 | 22 | 11,026 | 79 | 11,105 | | | |
| 3,849 | 2 | 3,851 | 4 | 27 | 1 | 3,818 | 1 | 3,819 | | | |
| 35,827 | 3,205 | 39,032 | 891 | 1,911 | 3,099 | 33,025 | 106 | 33,131 | | | |
| | | | | , | | · | | | | | |
| 50,969 | 3,308 | 54,277 | 896 | 2,204 | 3,122 | 47,869 | 186 | 48,055 | | | |
| 33,169 | | 33,169 | | | | 33,169 | | 33,169 | | | |
| 136,118 | 3,308 | 139,426 | 896 | 2,204 | 3,122 | 133,018 | 186 | 133,204 | | | |

Major transfer payments to persons represent the largest single component of federal government program spending. Transfers in this component include direct federal payments under the elderly benefit systems (old age security, guaranteed income supplements, and spouses' allowances), unemployment insurance benefits, family allowances, and veterans' benefits and allowances. A major portion of spending in this category is formula-funded or demand-driven, with changes reflecting developments in economic activity and the underlying population bases. In 1989-90, transfer payments to persons rose 6%, up from the 4.8% increase reported in 1988-89. The increase in the rate of growth in spending in this component largely reflects the impact of higher inflation rate in 1989 on the indexed programs. Growth in spending on major transfer payments to persons in 1989-90 was concentrated in higher elderly benefit and unemployment insurance program payments. The increase in elderly benefits reflected increases in both average benefits, which are indexed to quarterly changes in the consumer price index, and

the eligible population base. The increase in unemployment insurance program benefits was largely due to increases in average benefits as the number of beneficiaries was relatively unchanged. Increases in veterans' benefits and allowances and family allowances reflected advances in the consumer price index. The modest growth in family allowances reflects the partial indexation of benefits and a declining population base.

The federal government provides substantial financial support to other levels of government to assist them in carrying out programs for which the provinces have the primary responsibility, such as health care, post-secondary education, and social assistance. Major transfers to other levels of government consist of fiscal arrangements, Established Programs Financing, and the Canada Assistance Plan, among others. Fiscal arrangements include the equalization program, transfers to the territories, grants to municipalities in lieu of taxes, as well as the Reciprocal Taxation program. Major transfers to other levels of government increased 5.5% in 1989-90, compared to 7.6%

reported in 1988-89. Most of the increase in 1989-90 was concentrated in equalization transfers to lower-income provinces. The impact of robust overall growth in provincial revenues in 1989, and in prior years as well, has resulted in significantly higher equalization payments to the provinces. Payments under the Canada Assistance Plan continued to grow strongly in 1989-90 reflecting an increase in provincial spending on eligible programs. In contrast, direct cash transfers to the provinces under the Established Programs Financing were lower in 1989-90 than in the previous year, despite the fact that total entitlements under this program are about 6 % higher. Total entitlements are sourced through a combination of tax point transfers and direct cash transfers. The lower cash payments reflect prior-year adjustments, coupled with the strength in tax bases throughout 1989-90 with the result that a larger portion of the overall transfer was made through an increase in the value of the tax points.

Defence spending rose 3.9% to \$11,453 million in 1989-90, up from a 2.4% growth rate in 1988-89. The moderate growth in defence spending in the past two fiscal years reflects the impact of the reduction measures announced in the April 1989 Budget, as well as the timing of capital expenditures. This component of spending had been increasing by 2% a year in real terms.

Expenditures on external affairs and aid decreased by .9% to \$3,784 million in 1989-90, compared to a 3.5% growth rate in 1988-89.

All other program spending by the federal government consists of payments to Crown corporations, subsidies and other transfers, and spending on operations of Government. This component registered an increase of 1.9% in 1989-90, compared to an increase of 1.8% in 1988-89. The growth in 1989-90 primarily reflects developments in the agricultural sector, as no net payments were made under the Western Grain Stabilization

Act in 1989-90, while payments under the Western Grain Transportation Act were lower due to a decline in shipments. In addition, energy subsidies were also lower, primarily reflecting the termination of the Canadian Exploration and Development Incentive Program. The impact of these lower transfers was largely offset by increased transfers to natives and to regional development agencies. The rate of growth of operations of Government was restrained by the impact of past budget measures.

SUPPLEMENTARY STATEMENTS Public Debt Charges

Public debt charges include interest on unmatured debt (including Canada and Treasury bills), on specified purpose accounts and on other accounts, costs of issuing new loans, amortization of bond discounts, premiums and commissions, and the costs of servicing the public debt.

The increase of \$4,922 million in public debt charges related to unmatured debt is commensurate with an increase in the debt, which rose from \$277,624 million at March 31, 1989 to \$295,984 million at March 31, 1990. The increase of \$712 million in public debt, charges related to specified purpose accounts was due mainly to an increase in the balances of superannuation accounts.

A comparative summary of public debt charges is presented in Table 4.2. The table also discloses the reconciling items between total public debt charges as reported in the Finance ministerial section (Section 10) of Volume II (Part I) and the total net expenditure of the public debt as per Table 4.1. The reconciling items include the expenditure of the consolidated specified purpose accounts. Since no portion of revenue credited to appropriations applies to public debt, total gross public debt is identical to total net public debt.

TABLE 4.2 PUBLIC DEBT CHARGES^[1] (in millions of dollars)

| | | | Increase or |
|--|---------|---------|----------------|
| | 1989-90 | 1988-89 | decrease (-) |
| Unmatured debt— | | | |
| Marketable bonds— | | | |
| Payable in Canadian currency | 13,045 | 11,946 | 1,099 |
| Payable in foreign currencies | 372 | 453 | -81 |
| | 13,417 | 12,399 | 1,018 |
| Canada savings bonds | 4,857 | 5,326 | -469 |
| Special non-marketable bonds— | | | |
| Canada Pension Plan Investment Fund | 307 | 291 | 16 |
| Treasury bills | 12,905 | 8,452 | 4,453 |
| Notes and loans— | | | |
| Payable in foreign currencies | 104 | 210 | -106 |
| Canada bills | 84 | 85 | -1 |
| Servicing costs and costs of issuing new loans | 71 | 60 | 11 |
| otal public debt charges related to unmatured debt | 31,745 | 26,823 | 4,922 |
| specified purpose accounts— | | | |
| Superannuation accounts | 6,373 | 5,748 | 625 |
| Government Annuities Account | 62 | 65 | -3 |
| Canada Pension Plan Account | 356 | 250 | 106 |
| Deposit and trust accounts | 179 | 115 | 64 |
| Other | 3 | 83 | -80 |
| Total public debt charges related to specified purpose accounts | 6,973 | 6,261 | 712 |
| Consolidated specified purpose accounts— | | | |
| Unemployment Insurance Account | 91 | 15 | 76 |
| Western Grain Stabilization Account | 2 | -1 | 3 |
| Agricultural Commodities Stabilization Accounts | 8 | 20 | -12 |
| Other | 16 | 14 | 2 |
| otal public debt charges related to consolidated specified purpose accounts | 117 | 48 | 69 |
| otal public debt charges related to other accounts | 102 | 85 | 17 |
| Total public debt charges [2] | 38,937 | 33,217 | 5,720 |
| Less: | | | |
| Total public debt charges related to consolidated specified purpose accounts | 117 | 48 | 69 |
| Total net/gross public debt expenditure with outside parties | 38.820 | 33,169 | 5,651 |

Additional details are provided in Table 4 in Section 1 of Volume II (Part I).
Additional details are provided in Section 8 of Volume II (Part II).

Expenditure under Statutory Authority

The spending authority provided by statutory appropriations is for specified purposes and for such amounts and such time as the acts prescribe. This spending authority does not generally lapse at the end of the year in which it is granted. Expenditure under such authority accounts for more than half of the total net expenditure each year.

Table 4.3 presents a comparative summary of these statutory expenditures. The table also discloses the reconciling items between the total ministerial expenditure under statutory auth-

ority and the total net statutory expenditure. The reconciling items include the statutory expenditure of the consolidated specified purpose accounts and the provision for valuation. Expenditure internal to the Government has been deducted from the total net statutory expenditure to obtain the total net statutory expenditure with outside parties. Revenue credited to appropriations from outside parties has been added to the latter to obtain the total gross statutory expenditure with outside parties.

TABLE 4.3

EXPENDITURE UNDER STATUTORY AUTHORITY (in millions of dollars)

| | | 1989-90 | | | 1988-89 | | Increase or |
|---|-----|---------|--------|-----|---------|--------|----------------|
| | | 1989-90 | | | 1988-89 | | decrease (-) |
| Public debt charges | | | 38.937 | | | 33,217 | 5,720 |
| Old age security payments | | | 11.818 | | | 10.963 | 855 |
| Federal-provincial fiscal arrangements and public utilities | | | 8,128 | | | 7.298 | 830 |
| Payments for insured health services and extended health care | | | 0,120 | | | 1,290 | 830 |
| services | | | 6,663 | | | 6,678 | -15 |
| Canada Assistance Plan payments | | | 4,885 | | | 4.584 | 301 |
| Guaranteed income supplement payments | | | 3,873 | | | 3,766 | 107 |
| Family allowance payments | | | 2,654 | | | 2,606 | 48 |
| Government's contribution to the Unemployment Insurance Account | | | 2,423 | | | 2,416 | 7 |
| Post-secondary education payments to provinces | | | 2,166 | | | 2,227 | -61 |
| Payments under the Forgiveness of Certain Official Development | | | 2,100 | | | 2,221 | -01 |
| Assistance Debts Act | | | 648 | | | 68 | 580 |
| | | | 048 | | 1 | 08 | 380 |
| Payments to railway companies under the Western Grain | | | 540 | | | 222 | -208 |
| Transportation Act | | | 569 | | | 777 | |
| Spouse's allowance payments | | | 462 | | | 473 | -11 |
| Interest payments under the Canada Student Loans Act | | | 408 | | | 387 | 21 |
| Grants to municipalities and other taxing authorities | | | 284 | | | 294 | -10 |
| Payments to International Development Association | | | 336 | | | 288 | 48 |
| Reciprocal taxation | | | 319 | | | 285 | 34 |
| Payments in connection with the Western Grain Stabilization Act | | | 234 | | | 268 | -34 |
| Government's contribution in respect of fishermens' benefits | | | 251 | | | 240 | 11 |
| Superannuation, supplementary retirement benefits, death benefits and | | | | | | | |
| other pensions— | | | | | | | |
| Public Service— | | | | | | | |
| Government's matching contribution to the Public Service Superannuation | | | | | | | |
| Account | 426 | | | 434 | | | |
| Statutory payments under the Supplementary Retirement Benefits Act | 561 | | | 528 | | | |
| Government's contribution as employer to the Unemployment Insurance Account | 186 | | | 172 | | | |
| Government's matching contribution to the Canada and the Quebec | | | | | | | |
| Pension Plans | 137 | | | 131 | | | |
| Government's matching contribution to the Supplementary Retirement Benefits | | | | | | | |
| Account | 90 | | | 79 | | | |
| Government's matching contribution to the death benefit | | | | | | | |
| account | 8 | | | 7 | | | |
| | | 1,408 | | | 1,351 | | |
| Less: recoveries from revolving funds | | 94 | | | 78 | | |
| | | | | | | 1 272 | 41 |
| 0 " " | | | 1,314 | | | 1,273 | 41 |
| Canadian Forces— | | | | | | | |
| Government's matching contribution to the Canadian Forces Superannuation | | | | 255 | | | |
| Account | 270 | | | 255 | | | |
| Statutory payments under the Supplementary Retirement Benefits Act | 376 | | | 344 | | | |
| Government's contribution as employer to the Unemployment Insurance Account | 67 | | | 69 | | | |
| Government's matching contribution to the Canada and the Quebec | | | | | | | |
| Pension Plans | 47 | | | 41 | | | |
| Government's matching contribution to the Supplementary Retirement Benefits | | | | | | | |
| Account | 30 | | | 28 | | | |
| Government's matching contribution to the death benefit account | 2 | | | 2_ | | | |
| | | | 792 | | | 739 | 53 |

TABLE 4.3 EXPENDITURE UNDER STATUTORY AUTHORITY— Concluded (in millions of dollars)

| | 1989-90 | 1988-89 | Increase or decrease (-) |
|---|----------|----------|--------------------------------|
| | | | |
| Royal Canadian Mounted Police— | | | |
| Government's matching contribution to the Royal Canadian Mounted Police Superan- | 71 | 00 | |
| nuation Account | 71 29 | 99 27 | |
| Statutory payments under the Supplementary Retirement Benefits Act | 15 | 15 | |
| Government's contribution as employer to the Unemployment Insurance Account | 15 | 15 | |
| Government's matching contribution to the Canada and the Quebec | 10 | 9 | |
| Pension Plans | 10 | 9 | |
| Government's matching contribution to the Supplementary Retirement Benefits Account | 9 | 8 | |
| Account | | | |
| | 134 | 158 | -24 |
| Payments under the Defence Services and Royal Canadian Mounted Police Pension | 16 | 1.5 | |
| Continuation Act | 16 | 15 | 1 120 |
| All other statutory expenditures | 1,117 | 2,237 | -1,120 |
| Total ministerial expenditure under statutory authority [1] | 88,431 | 81,257 | 7,174 |
| Consolidated specified purpose accounts— | | | |
| Unemployment Insurance Account | 9,740 | 8,909 | 831 |
| Western Grain Stabilization Account | -236 | -63 | ~173 |
| Crop Reinsurance Fund | 96 | 3 | 93 |
| Agricultural Commodities Stabilization Accounts | 418 | 180 | 238 |
| Other | {2} | {2} | |
| Total expenditure of consolidated specified purpose accounts | 10,018 | 9,029 | 989 |
| Provision for valuation | 715 | 2,073 | -1,358 |
| Total net statutory expenditure with outside parties | 99,164 | 92,359 | 6.805 |
| Revenue credited to appropriation from outside parties | 418 | 330 | 88 |
| Total gross statutory expenditure with outside parties | 99,582 | 92,689 | 6,893 |

⁽¹⁾ Additional details are provided in Table 3 in Section 1 of Volume II (Part I). Less than \$500,000.

Transfer Payments

The transfer payments information presented in Note 7 to the audited financial statements of the Government of Canada in Section 2 of this volume are presented in more detail in the

following table. This table shows payments exceeding \$300 million.

TABLE 4.4

TRANSFER PAYMENTS BY TYPE OF TRANSFER (in thousands of dollars)

| | | Increase |
|------------|------------|--------------|
| 1989-90 | 1988-89 | decrease (-) |
| | | , |
| | | |
| 1,818,257 | 10,963,365 | 854,892 |
| 3,873,311 | 3,765,839 | 107,472 |
| 462,162 | 473,220 | -11,058 |
| 6,153,730 | 15,202,424 | 951,306 |
| 1,690,216 | 10,868,890 | 821,326 |
| 2,653,506 | 2,605,700 | 47,806 |
| 1,937,513 | | |
| 1,937,313 | 1,700,015 | 237,498 |
| | | |
| 814,568 | 759,303 | 55,265 |
| 571,383 | 533,727 | 37,656 |
| 432,064 | 396,907 | 35,157 |
| 2,148,839 | 2,078,769 | 70,070 |
| 6,401,819 | 34,145,735 | 2,256,084 |
| 0,101,012 | | 2,200,000 |
| 7,814,260 | 6,956,754 | 857,506 |
| ,,01 ,,200 | 0,700,75 | 007,000 |
| 1,345,798 | 1,270,629 | 75,169 |
| | | |
| 5,317,324 | 5,407,500 | -90,176 |
| 6,663,122 | 6,678,129 | -15,007 |
| 4,885,271 | 4,583,550 | 301,721 |
| 2,166,079 | 2,227,453 | -61,374 |
| 1,115,343 | 880,880 | 234,463 |
| 314,082 | 325,446 | -11,364 |
| 2,461,717 | 2,673,623 | -211,906 |
| 5,419,874 | 24,325,835 | 1,094,039 |
| 3,417,074 | 24,323,033 | 1,054,055 |
| 576,954 | 824,657 | -247,703 |
| | • | |
| 440,752 | 388,301 | 52,451 |
| | | |
| 410,363 | 452,927 | -42,564 |
| 300,909 | 248,585 | 52,324 |
| 1,609,737 | 2,320,178 | -710,441 |
| 3,338,715 | 4,234,648 | -895,933 |
| | | |
| | | |
| 412,677 | 551,218 | -138,541 |
| 366,654 | 426,826 | -60,172 |
| 358,233 | 413,988 | -55,755 |
| 325,203 | 316,739 | 8,464 |
| 321,007 | 289,672 | 31,335 |
| 845,367 | 797,186 | 48,181 |
| 2,629,141 | 2,795,629 | -166,488 |
| _,, | -,,025 | 100,100 |
| | | **** |
| 684,467 | 783,674 | -99,207 |
| 981,357 | 920,764 | 60,593 |
| 1,665,824 | 1,704,438 | -38,614 |
| 9,455,373 | | 2,249,088 |
| | | |

^[1] An analysis by province is shown in Table 4.5 for these transfer payments.

Details of Transfer Payments by Province

Table 4.5 presents an analysis by province of selected important transfer payments. Except for Unemployment insurance, more details can be found in Section 7 of Volume II (Part II) of the Public Accounts.

TABLE 4.5 SELECTED IMPORTANT TRANSFER PAYMENTS BY PROVINCE (in thousands of dollars)

| | Tra | insfers to perso | ons | Transfers t | Transfers to provinces, territories and municipalities | | | |
|-------------------------|-------------|----------------------|--|-------------------------------|--|---------------------------------|-----------------------------|--|
| Old secur | | Family allowances | Unemploy- ment insurance ^{{2} } | Insured health services | Extended health care services | Post- secondary education | Canada Assistanc Plan | |
| Newfoundland | 827 | 66,775 | 834,345 | 137,296 | 29,217 | 57,109 | 101,040 | |
| 350 | 304 | 67,650 | 754,749 | 138,206 | 27.401 | 58,006 | 91,339 | |
| Prince Edward Island | 581 | 14,179 | 154,468 | 31,451 | 6,676 | 13,182 | 23,881 | |
| 99. | 289 | 13,995 | 138,441 | 31.568 | 6.286 | 13.246 | 22,602 | |
| Nova Scotia | | 89,615 | 576,844 | 213,697 | 45,457 | 88,870 | 157,186 | |
| 621, | | 89,206 | 523,743 | 218,340 | 43,204 | 91,687 | 152.869 | |
| New Brunswick | | 75,985 | 639,078 | 173,129 | 36,831 | 72,019 | 158,936 | |
| 493 | | 75.935 | 596,827 | 176.225 | 34,765 | 74,089 | 149,789 | |
| Ouebec | 385 | 646,046 | 3,781,763 | 958,496 | 343,157 | 366,040 | 1,106,377 | |
| 3.972 | 370 | 635,263 | 3,423,306 | 959,168 | 324,787 | 371,050 | 1.128.973 | |
| Ontario | 17 0 | 947,635 | 2,612,685 | 1,860,546 | 491,279 | 755,152 | 1,761,467 | |
| 5,219, | 740 | 926,771 | 2,350,605 | 1,897,044 | 462,852 | 776,478 | 1.510.952 | |
| Manitoba | 071 | 115,596 | 373,474 | 261,592 | 55,577 | 109,617 | 194,497 | |
| 735, | 804 | 114,455 | 360,250 | 269,352 | 53,398 | 113,188 | 197,777 | |
| Saskatchewan | 569 | 114,527 | 300,724 | 256,448 | 51,820 | 107,466 | 152,857 | |
| 709, | <i>426</i> | 114,547 | 305,686 | 244,458 | 49,466 | 103,070 | 155,153 | |
| Alberta | 344 | 272,041 | 866,179 | 626,943 | 125,007 | 262,967 | 513,187 | |
| 1,059, | 284 | 266,362 | 866,308 | 666,339 | 117,462 | 285,380 | 487,870 | |
| British Columbia 1,985, | 338 | 299,643 | 1,504,991 | 779,498 | 156,727 | 325,972 | 693,782 | |
| 1,859, | 509 | 290,311 | 1,505,456 | 786,886 | 147,226 | 332,800 | 663,112 | |
| Total provinces | 126 | 2,642,042 | 11,644,551 | 5,299,096 | 1,341,748 | 2,158,394 | 4,863,210 | |
| 15,120, | 515 | 2,594,495 | 10,825,371 | 5,387,586 | 1,266,847 | 2,218,994 | 4,560,436 | |
| Northwest Territories | 530 | 8,375 | 20,147 | 12,394 | 2,742 | 5,168 | 16,859 | |
| 10, | 816 | <i>8,179</i> | 19,738 | 13,452 | 2,544 | 5,716 | 15,003 | |
| Yukon Territory 5, | 580 | 3,089 | 22,900 | 5,834 | 1,308 | 2,517 | 5,202 | |
| 5,2 | 263 | 3,026 | 21,396 | 6,462 | 1,238 | 2,743 | 8,111 | |
| International |)94 | | 2,618 | | | | | |
| 65, | 330 | | 2,385 | | | | | |
| Total | | 2,653,506 | 11,690,216 | 5,317,324 | 1,345,798 | 2,166,079 | 4,885,271 | |
| 15,202, | 124 | 2,605,700 | 10,868,890 | 5,407,500 | 1,270,629 | 2,227,453 | 4,583,550 | |

Amounts in roman type are 1989-90 transfer payments.

Amounts in *italic* type are 1988-89 transfer payments.

[1] Includes guaranteed income supplements and spouses' allowances.

[2] Includes fishermen's benefits.

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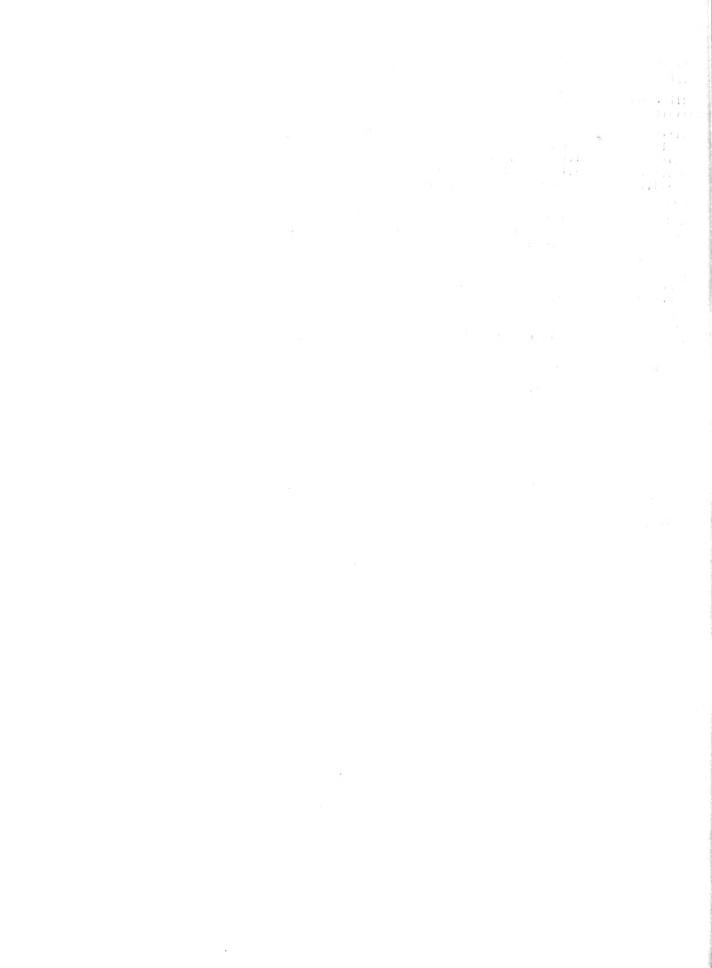
section 5

1989-90 PUBLIC ACCOUNTS

Consolidated Accounts

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CONSOLIDATED CROWN CORPORATIONS

This section provides all related information on consolidated Crown corporations.

Consolidated Crown corporations are those Crown corporations who rely on Government funding as their principal source of revenue. Crown corporations are defined to include either parent Crown corporations or wholly-owned subsidiaries. A wholly-owned subsidiary is wholly-owned by one or more parent Crown corporations.

Consolidation involves the combination of the accounts of the corporations described in the preceding paragraph on a line-by-line and uniform basis of accounting and eliminating inter-organizational balances and transactions. Before these balances and transactions can be eliminated, the corporations' accounts must be adjusted to the Government basis of accounting. Most corporations follow generally accepted accounting principles (GAAP) used by private sector companies. The most significant difference between GAAP and the Government basis of accounting is that under GAAP, non-financial assets such as buildings, machinery, equipment and inventories are reflected as assets and written-off over their respective lives or as they are consumed or used. The Government treats the acquisition of non-financial assets as expenditures in the year of acquisition.

Details of the Consolidation of the Government and the Consolidated Crown Corporations

Table 5.1 discloses details of the consolidation of Crown corporations as defined above. The table presents balances and transactions with outside parties and shows revenues and expenses on a net basis together with the gross-up of transactions as reported in the Government's financial statements.

TABLE 5.1

DETAILS OF THE CONSOLIDATION OF THE GOVERNMENT AND CONSOLIDATED CROWN CORPORATIONS AS AT MARCH 31, 1990

(in thousands of dollars)

| | Per Tables 5.2 and 5.3 | Reclassi- fication ^[1] | Eliminations | Balances and net transactions included in Government's financial statements | Transactions gross - up | Eliminations in Government financial statements | |
|--|--------------------------------|--------------------------------------|------------------------------|--|----------------------------|---|---------------------------|
| ASSETS | | | 1 | | 1 - | 18 14 |) = 0.700 |
| Cash, Table 11.2 Section 11 | 172,120 204,413 117,235 | 117,235 -117,235 | | 172,120 321,648 | | | 172,120 321,648 |
| Loans, investments and advances, Table 6.18 Section 6 | 663,715 | -117,200 | | 663,715 | | | 663,715 |
| | 1,157,483 | | | 1,157,483 | | | 1,157,483 |
| Assets with the Government Claims against Government Deposit and trust with the | 236,252 | | -236,252 | | | | - I |
| Government, Table 7.10 Section 7 Other accounts, Table 7.14 Section 7 Government securities. Table 10.1 Section 10 | 25,887 5,938 54,743 | | -25,887 -5,938 -54,743 | | | 25,887 5,938 54,743 | 25,887 5,938 54,743 |
| | 322,820 | | -322,820 | | | 86,568 | 86,568 |
| TOTAL ASSETS | 1,480,303 | | -322,820 | 1,157,483 | | 86,568 | 1,244,061 |
| LIABILITIES | | | | | | | 1 (125-11) |
| Borrowings, Table 8.4 Section 8 | -20,436 -868,140 -13,078 | -13,078 13,078 | | -20,436 -881,218 | | 236,252 | -20,436 -644,966 |
| Borrowings, contributed capital and capital stock, Table 6.3 Section 6 | -687,668 | | 687,668 | | | -687,668 | -687,668 |
| TOTAL LIABILITIES | -1.589.322 | | 687,668 | -901,654 | | -451,416 | -1.353.070 |
| SURPLUS(-)/DEFICIT END OF YEAR | 109,019 | | -364,848 | -255,829 | | 364,848 | 109,019 |
| REVENUE | | | | | | 1.0 | 111 - 1 |
| Return on investments Operating revenue Revenue with Government and enterprise Crown corporations | -87,501 -1,027,660 | 87,501 1,027,660 | | | -87,501 -1,037,281 | 136,868 | -87,501 -900,413 |
| Financial assistance | -4,545,812 -31,440 | 4,545,812 31,440 | | | | | |
| TOTAL REVENUE, Table 3.1 Section 3 | -5,692,413 | 5,692,413 | | · · · · · · · · · · · · · · · · · · · | -1,124,782 | 136,868 | -987,914 |
| EXPENSES | | | | | | | |
| Defence | 15,928 148,879 | -16,457 -138,808 | | -529 10,071 | 957 9,925 | -5,283 | 428 14,713 |
| Other Government organisations Expenses with Government and enterprise Crown corporations | 5,491,794 248.069 | -5,404,128 -133.020 | -115.049 | 87,666 | 1,113,900 | -16,536 | 1,185,030 |
| TOTAL EXPENSES | 5,904,670 | -5,692,413 | -115,049 | 97,208 | 1,124,782 | -21,819 | 1,200,171 |
| NET LOSS | 212,257 -103,238 | 3,002,410 | -115,049 | 97,208 | 1,124,702 | 115,049 | 212,257 |
| SURPLUS(-)/DEFICIT END OF YEAR | 109,019 | - | | | | | 109,019 |

The second of the second

Notes to Tables 5.2 and 5.3 are an integral part of this table.

^[1] The reclassification represents the regrouping of enterprise Crown corporations with third parties and the netting of revenues against expenses.

Summary Financial Statements of Consolidated Crown Corporations

The following tables display details of the assets, liabilities, revenues and expenses of the consolidated Crown corporations.

For those corporations having other year ends than March 31, the data are based on unaudited interim financial statements which have been prepared on a basis consistent with the most recent audited financial statements.

Tables 5.2 and 5.3 summarize the financial transactions and results of operations of each consolidated Crown corporation in accordance with its own respective accounting policies. Most consolidated Crown corporations follow the generally accepted accounting principles used by private sector companies, as outlined in the Handbook of the Canadian Institute of Chartered Accountants.

Financial assets include cash, receivables, loans and investments. Physical assets and deferred charges represent the unexpended portion of non-financial assets such as buildings, machinery and equipment in use or under construction, inventories and other items of expenditure which will be expended as these assets are used. Financial assets and liabilities in respect of the Government and other Crown corporations represent the unpaid balances arising from financing transactions and normal operating activities. Borrowings from outside parties represent amounts repayable to institutional and other investors. Other liabilities are amounts due in respect of purchases, employee termination and pension benefits, accrued interest on borrowings, long-term capital leases and sundry accounts payable.

Revenues include financial assistance received or receivable from the Government in respect of the current year's operations. Expenses are segregated between those relating to outside parties, Government and other Crown corporations as well as other adjustments and dividends paid to outside parties. These adjustments may increase or reduce the amount of income accruing to the Government. Equity transactions with the Government include dividends declared, transfers of profits to the Government and non-current financial assistance provided by the Government. The line "Conversion to the Government accounting basis for consolidation purpose" represents the adjustments required to bring the corporations' generally accepted accounting principles basis of accounting to the Government's basis of accounting.

These tables present consolidated financial information on consolidated parent Crown corporations and financial information on unconsolidated wholly-owned subsidiaries. Volume III of the Public Accounts includes a complete list of all parent Crown corporations, wholly-owned subsidiaries, other subsidiaries and associates.

Consolidated Crown corporations are also categorized as being either agents or non-agents of the Crown. Agency status may be expressly stated in the incorporating legislation or conferred under the provisions of the Government Corporations Operation Act. In accordance with Section 54 of the Financial Administration Act, the payment of all money borrowed by consolidated agent Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund. Table 5.4 summarizes such borrowings for the consolidated corporations and the changes during the year ended March 31, 1990.

A summary of financial assistance under Government budgetary appropriations to consolidated Crown corporations for the year ended March 31, 1990 is provided in Table 5.6. Differences in figures reported in Table 5.3 and those reported in Table 5.6 result from the use of different accounting policies and from items in transit.

TABLE 5.2 FINANCIAL POSITION OF CONSOLIDATED CROWN CORPORATIONS — ASSETS AND LIABILITIES FOR THE YEAR ENDED MARCH 31, 1990 (in thousands of dollars)

| | | Assets | | |
|---|---------------|---|--|---|
| | Fin | ancial | | |
| Crown corporations [1] | Outside | Government and other Crown corporations | Physical assets and deferred charges | Total |
| Atomic Energy of Canada Limited | 772,425 | 155,303 | 24,018 | 951,746 |
| Canada Council | 87,477 | 32,501 | 15,790 | 135,768 |
| Canada Harbour Place Corporation | 1,043 | 22 | 66,297 | 67,362 |
| Canada Lands Company Limited | | | | .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| Canada Lands Company { Mirabel } Limited | 950 | | | 950 |
| Canada Lands Company {Vieux-Port de Québec} Inc | 513 | | | 513 |
| Old Port of Montréal Corporation Inc | 2,752 | | 36 | 2,788 |
| Canada Mortgage and Housing Corporation Minister's Account | 2,732 | | 30 | 2,700 |
| Canada Museums Construction Corporation Inc | 903 | 13.574 | 188,424 | 202,901 |
| Canadian Broadcasting Corporation | 65,915 | 21,065 | 854,027 | 941,007 |
| Canadian Dairy Commission | 00,710 | 21,000 | 034,027 | 741,007 |
| Dairy Support Operation Financed | | | | |
| by the Government of Canada | | | | |
| Canadian Film Development Corporation | 4,965 | 39,833 | 2,988 | 47,786 |
| Canadian Institute for International Peace and Security | 1,779 | 37,033 | 336 | 2,115 |
| Canadian Livestock Feed Board | 156 | 1,709 | 330 | 1.865 |
| Canadian National {West Indies} Steamship Limited{2}{3} | 1,398 | 95 | | 1,493 |
| Canadian Patents and Development Limited | 1,441 | 74 | 11 | 1,526 |
| Canertech Inc [4] | 16,309 | , , | | 16,309 |
| Defence Construction (1951) Limited | 1,423 | 381 | 462 | 2,266 |
| Enterprise Cape Breton Corporation | 6,740 | 1.944 | 16,974 | 25,658 |
| Harbourfront Corporation | 19,674 | 4.165 | 7,211 | 31,050 |
| nternational Centre for Ocean Development | 1,158 | 591 | 29 | 1,778 |
| International Development Research Centre | 15,797 | 391 | 6,327 | 22,124 |
| Jacques Cartier and Champlain Bridges Incorporated, The | 462 | 6,841 | 16,953 | 24,256 |
| Marine Atlantic Inc | 9.367 | 30,918 | 425,026 | 465,311 |
| Mingan Associates, Ltd{3} | 9,307 | 30,918 | 355 | |
| National Arts Centre Corporation | 1,860 | 56 | 5,856 | 355 |
| National Capital Commission | • | 5.268 | | 7,772 |
| Standards Council of Canada | 15,109 | -, | 323,336 | 343,713 |
| Via Rail Canada Inc | 838 13,718 | 725 127,305 | 662 767,021 | 2,225 |
| | | | | 908,044 |
| Total consolidated corporations | 1,044,172 | 442,370 | 2,722,139 | 4,208,681 |
| basis for consolidation purpose | 3,924 | 2,315 | 2,722,139 | 2,728,378 |
| Total on the Government accounting basis | 1,040,248 | 440,055 | | 1,480,303 |

^[1] All Crown corporations listed in this table are parent Crown corporations except the following: Canada Lands Company (Mirabel) Limited, Canada Lands Company (Vieux-Port de Québec) Inc., Old Port of Montréal Corporation Inc., Canertech Inc., and The Jacques Cartier and Champlain Bridges Incorporated.
[2] On October 20, 1985, an Act procuring the dissolution of certain Crown corporations authorized the Minister responsible for Canadian National (West Indies)

Steamships Ltd, to dissolve the Corporation.

The Corporation is inactive.

^[4] Petro-Canada has been authorized to dissolve Canertech Inc. and dispose of its investments on October 9, 1986.

| | Lial | pilities | | | |
|------------|-----------|----------------------------------|-------------|--------------|----------------------------|
| Outside 1 | parties | Government and other Crown | Total | Equity of | Total liabilitie and |
| Borrowings | Other | Corporations | liabilities | Canada | equity |
| 19,376 | 132,703 | 588,879 | 740,958 | 210,788 | 951,746 |
| | 30,273 | 356 | 30,629 | 105,139 | 135,768 |
| | 401 | | 401 | 66,961 | 67,362 |
| | 263 | 687 | 950 | | 950 |
| | 5 | 305 | 310 | 203 | 513 |
| | 1,287 | 1,501 | 2,788 | | 2,788 |
| | -, | , | | | |
| 1- | 15,419 | 304 | 15,723 | 187,178 | 202,901 |
| | 294,532 | 45,775 | 340,307 | 600,700 | 941,007 |
| | 23 1,022 | 12,772 | 2.4 | | |
| | | | | | |
| | 32,979 | | 32,979 | 14,807 | 47,786 |
| | 381 | | 381 | 1,734 | 2,115 |
| | 2,725 | | 2,725 | -860 | 1,865 |
| | 14 | 324 | 338 | 1,155 | 1,493 |
| | 869 | | 869 | 657 | 1,520 |
| | 792 | 29,570 | 30,362 | -14,053 | 16,30 |
| | 4,149 | 1,029 | 5,178 | -2,912 | 2,260 |
| | 3,152 | 14 | 3,166 | 22,492 | 25,658 |
| | 5,829 | | 5,829 | 25,221 | 31,056 |
| | 1,025 | 185 | 1,210 | 568 | 1,778 |
| | 17,056 | 1,043 | 18,099 | 4,025 | 22,12 |
| | 4,744 | 71 | 4,815 | 19,441 | 24,256 |
| | 460,730 | 3,948 | 464,678 | 633 | 465,31 |
| | | | | 355 | 355 |
| 1,060 | 4,804 | 628 | 6,492 | 1,280 | 7,777 |
| | 38,684 | 3,792 | 42,476 | 301,237 | 343,713 |
| | 1,277 | 51 | 1,328 | 897 | 2,225 |
| | 266,535 | 27,278 | 293,813 | 614,231 | 908,044 |
| 20,436 | 1,320,628 | 705,740 | 2,046,804 | 2,161,877 | 4,208,68 |
| | 452,488 | 4,994 | 457,482 | 2,270,896 | 2,728,378 |
| 20,436 | 868,140 | 700,746 | 1,589,322 | -109,019 | 1,480,303 |

TABLE 5.3

REVENUES, EXPENSES AND OTHER CHANGES IN EQUITY OF CONSOLIDATED CROWN CORPORATIONS FOR THE YEAR ENDED MARCH 31, 1990

(in thousands of dollars)

| | | Government and Crown corporations | | | |
|---|--------------------|-----------------------------------|--------|-----------|--|
| Crown corporations | Outside parties | Financial assistance [1] | Other | Total | |
| Atomic Energy of Canada Limited | 253,597 | 194,945 | 1,426 | 449,968 | |
| Canada Council | 6,825 | 103,503 | 4,327 | 114,655 | |
| Canada Harbour Place Corporation | 5,289 | | 197 | 5,486 | |
| Canada Lands Company Limited | | | | | |
| Canada Lands Company { Mirabel } Limited | 101 | 1,795 | | 1,896 | |
| Canada Lands Company {Vieux-Port de Québec} Inc | | 2,770 | | 1,000 | |
| Old Port of Montréal Corporation Inc | 2,606 | 5,049 | | 7,655 | |
| Canada Mortgage and Housing Corporation | 2,000 | 3,047 | | 7,033 | |
| Minister's Account | | 1,706,884 | | 1,706,884 | |
| Canada Museums Construction Corporation Inc | | 1,700,004 | | 1,700,004 | |
| | 247 205 | 040 225 | E ((0) | 1 202 200 | |
| Canadian Broadcasting Corporation Canadian Dairy Commission | 347,305 | 849,335 | 5,668 | 1,202,308 | |
| • | | | | | |
| Dairy Support Operation Financed | | 275 000 | | 275 000 | |
| by the Government of Canada | 14000 | 275,089 | | 275,089 | |
| Canadian Film Development Corporation | 14,289 | 145,595 | | 159,884 | |
| Canadian Institute for International Peace and Security | 159 | 5,000 | | 5,159 | |
| Canadian Livestock Feed Board | | 18,145 | 2 | 18,147 | |
| Canadian National (West Indies) Steamship Limited | 144 | | | 144 | |
| Canadian Patents and Development Limited | 2,449 | 799 | 68 | 3,316 | |
| Canertech Inc | 1,294 | | | 1,294 | |
| Defence Construction (1951) Limited | 931 | 14,332 | | 15,263 | |
| Enterprise Cape Breton Corporation | 4,118 | | | 4,118 | |
| Harbourfront Corporation | 14,300 | | 975 | 15,275 | |
| International Centre for Ocean Development | 96 | 10,100 | 2,199 | 12,395 | |
| nternational Development Research Centre | 9,673 | 108,500 | 2,910 | 121,083 | |
| Jacques Cartier and Champlain Bridges Incorporated, The | 8,308 | 13,706 | 393 | 22,407 | |
| Marine Atlantic Inc | 68,473 | 125,085 | 1,158 | 194,716 | |
| Mingan Associates, Ltd | 00,175 | 125,005 | 1,150 | 174,710 | |
| National Arts Centre Corporation | 18,958 | | 874 | 19,832 | |
| · | , | 04.144 | | | |
| National Capital Commission | 28,963 | 94,144 | 4,172 | 127,279 | |
| Standards Council of Canada | 1,494 | 7,564 | 507 | 9,565 | |
| Via Rail Canada Inc | 224,677 | 449,666 | 7,625 | 681,968 | |
| Total | 1,014,049 | 4,129,236 | 32,501 | 5,175,786 | |
| basis for consolidation purpose | 101,112 | 416,576 | -1,061 | 516,627 | |
| Total on the Government accounting basis | 1,115,161 | 4,545,812 | 31,440 | 5,692,413 | |

¹¹⁾ This column records only that portion of financial assistance received or receivable from the federal Government that has been credited to operations. A further amount of \$236,392 representing capital and operating appropriations received by the corporations is included in "Equity transactions with Government". Revenues "Other" include amounts generated from the sale of goods and services, investment income as well as grants where the corporations qualify as a member of a general class of recipients. The total financial assistance accounted for by the corporations during the year does not agree with the amount reported in Table 5.6 because of differences resulting from the different accounting policies followed.

| | - | | | | | | | 1000 |
|-----------------|--|-----------|----------------------|-------------|--|--|--------------------------------|--------------------------|
| | Expenses | | | | | | | |
| Outside parties | Government and Crown corporations | Total | Income/or loss(-) | Adjustments | Government share of net income/or loss(-) | Equity transactions with Government | Equity beginning of year | Equity end of year |
| 407,401 | 52,810 | 460,211 | -10,243 | - | -10,243 | 5,321 | 215,710 | 210,788 |
| 113,206 | 02,010 | 113,206 | 1,449 | | 1,449 | 3,815 | 99,875 | 105,139 |
| 7,275 | 197 | 7,472 | -1,986 | | -1,986 | 2,222 | 68,947 | 66,961 |
| 1,181 | 715 | 1,896 | | | | | | |
| 7.000 | | 7 (55 | | | | | 203 | 203 |
| 7,655 | | 7,655 | | | | | | |
| 1,641,994 | 64,890 | 1,706,884 | | | | 21.705 | | 405.450 |
| | | | | | | 31,705 | 155,473 | 187,178 |
| 1,305,886 | | 1,305,886 | -103,578 | -73,921 | -29,657 | 78,423 | 551,934 | 600,700 |
| 274,576 | 513 | 275,089 | | | | | | |
| 167,778 | 1,528 | 169,306 | -9,422 | | -9,422 | | 24,229 | 14,807 |
| 5,172 | 1,520 | 5,172 | -13 | | -13 | | 1,747 | 1,734 |
| 18,873 | 205 | 19,078 | -931 | | -931 | | 71 | -860 |
| 10,075 | 203 | 19,070 | 144 | | 144 | | 1,011 | 1,155 |
| 3,120 | | 3,120 | 196 | | 196 | | 461 | 657 |
| 3,120 | | 5,120 | 1,294 | | 1,294 | | -15,347 | -14,053 |
| 15,389 | | 15,389 | -126 | | -126 | | -2,786 | -2,912 |
| 20,922 | | 20,922 | -16,804 | | -16,804 | 7,300 | 31,996 | 22,492 |
| 20,427 | | 20,427 | -5,152 | | -5,152 | -559 | 30,932 | 25,221 |
| 11,872 | | 11,872 | 523 | , | 523 | -337 | 45 | 568 |
| 130,946 | | 130,946 | -9,863 | | -9,863 | | 13,888 | 4,025 |
| 22,192 | 1,390 | 23,582 | -1,175 | | -1,175 | 108 | 20,508 | 19,441 |
| 191,055 | 3,954 | 195,009 | -293 | -1,945 | 1,652 | | -1,019 | 633 |
| | ., | , | | - 1 | -,00- | | 355 | 355 |
| 35,655 | 1,264 | 36,919 | -17,087 | | -17,087 | 15,891 | 2,476 | 1,280 |
| 100,731 | 8,093 | 108,824 | 18,455 | | 18,455 | , | 282,782 | 301,237 |
| 8,616 | 745 | 9,361 | 204 | | 204 | | 693 | 897 |
| 874,128 | 84,978 | 959,106 | -277,138 | -121,594 | -155,544 | -82,725 | 852,500 | 614,231 |
| 5,386,050 | 221,282 | 5,607,332 | -431,546 | -197,460 | -234,086 | 59,279 | 2,336,684 | 2,161,877 |
| | | | 210.200 | 107.460 | 21,829 | -59,279 | -2,233,446 | -2,270,896 |
| 270,551 | 26,787 | 297,338 | 219,289 | 197,460 | 21 829 | -79 / /9 | -//11 44D | _//(IXU6 |

Borrowings by Consolidated Agent Crown Corporations

Table 5.4 summarizes the borrowing transactions by consolidated agent Crown corporations made on behalf of Her Majesty. This information is published to satisfy Section 49 of the Financial Administration Act (FAA) which requires that" An annual statement be included in the Public Accounts". The borrowings are from

other than the Government. In accordance with Section 54 of the FAA, the payment of all money borrowed by agent Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund. Such borrowings are consolidated in the summary financial statements of Canada.

TABLE 5.4

BORROWINGS BY CONSOLIDATED AGENT CROWN CORPORATIONS (in thousands of dollars)

| | Balance April 1/1989 | Borrowings and other credits | Repayments and other charges | Balance March 31/1990 ^[1] |
|---------------------------------|-------------------------|------------------------------------|------------------------------------|---|
| Atomic Energy of Canada Limited | 20,997 | 1,679 3,575 | 3,300 2,515 | 19,376 1,060 |
| Total | 20,997 | 5,254 | 5,815 | 20,436 |

Notes to Tables 5.2 and 5.3 are an integral part of this table.

Contingent Liabilities of Consolidated Crown Corporations

Table 5.5 summarizes the contingent liabilities of the consolidated Crown corporations. A contingent liability is defined as a

potential liability which may become an actual liability when one or more future events occur or fail to occur.

TABLE 5.5

CONTINGENT LIABILITIES OF CONSOLIDATED CROWN CORPORATIONS (in thousands of dollars)

| | March 31, 199 |
|---|-------------------|
| Consolidated agent Crown corporations | |
| Canada Museums Construction Corporation Inc-contract disputes | 13,000 |
| Canertech Inc-miscellaneous litigations | 77,000 |
| Enterprise Cape Breton Corporation-loan garantee | 29,565 |
| Defence Construction { 1951 } Limited-contract disputes | 10,976 |
| National Capital Commission-miscellaneous litigation and agreements | 36,139 166,680 |
| Consolidated non-agent Crown corporations | |
| Marine Atlantic Inc-contract disputes | 28,875 28,875 |
| Total | 195,555 |

Notes to Tables 5.2 and 5.3 are an integral part of this table.

⁽¹¹⁾ The maturity of the above borrowings for the first five years is: 1991, \$3,195; 1992, \$1,881; 1993, \$2,046; 1994, \$2,229; 1995, \$2,428 and \$8,657 for subsequent years.

Financial Assistance Under Budgetary Appropriations to Consolidated Crown Corporations

Table 5.6 summarizes financial assistance under budgetary appropriations for both consolidated agent and non-agent Crown corporations. It should be read in conjunction with Table 5.3. The purpose for which payments have been made under budgetary

appropriations is segregated between: (a) amounts to cover operating expenses and (b) amounts for capital expenditures.

All amounts reported represent charges to appropriations or authorities approved by Parliament.

TABLE 5.6

FINANCIAL ASSISTANCE UNDER BUDGETARY APPROPRIATIONS TO CONSOLIDATED CROWN CORPORATIONS FOR THE YEAR ENDED MARCH 31, 1990

(in thousands of dollars)

| | Financial assistance | Pur | pose |
|---|--|------------|---------|
| | under budgetary appropriations ^[1] | Operations | Capital |
| Agent Crown corporations | | | |
| Atomic Energy of Canada Limited | 205,640 | 205,640 | |
| Canada Lands Company Limited | | | |
| Canada Lands Company (Mirabel) Limited | 1,949 | 1,949 | |
| Old Port of Montréal Corporation Inc | 6,055 | 6,055 | |
| Canada Mortgage and Housing Corporation [2] | 1,735,079 | 1,735,079 | 22.214 |
| Canada Museums Construction Corporation Inc | 33,214 | 052 225 | 33,214 |
| Canadian Broadcasting Corporation | 981,375 | 853,335 | 128,040 |
| Canadian Film Development Corporation | 145,595 | 145,595 | |
| Canadian Livestock Feed Board | 18,285 | 18,285 | |
| Canadian Patents and Development Limited | 799 | 799 | |
| Defence Construction {1951} Limited | 15,500 | 15,500 | |
| Enterprise Cape Breton Corporation | 7,300 | 7,300 | |
| National Capital Commission | 94,145 | 74,636 | 19,509 |
| | 3,244,936 | 3,064,173 | 180,763 |
| Non-agent Crown corporations | | | |
| Canada Council | 103,503 | 103,503 | |
| Canadian Institute for International Peace and Security | 5,000 | 5,000 | |
| Harbourfront Corporation | 3,649 | 3,649 | |
| International Centre for Ocean Development | 10,100 | 10,100 | |
| International Development Research Centre | 108,500 | 108,500 | • |
| Jacques Cartier and Champlain Bridges Incorporated, The | 13,948 | 13,948 | |
| Marine Atlantic Inc | 265,465 | 265,465 | |
| National Arts Centre Corporation | 17,891 | 17,891 | |
| Standards Council of Canada | 7,564 | 7,564 | |
| VIA Rail Canada Inc | 521,120 | 521,120 | |
| | 1,056,740 | 1,056,740 | |
| Total | 4,301,676 | 4,120,913 | 180,763 |

Excludes grants and contributions paid to agent and non-agent Crown corporations where they qualify as members of a general class of recipients.

¹² Includes budgetary appropriations for Government programs known as the "Minister's account".

CONSOLIDATED SPECIFIED PURPOSE ACCOUNTS

Consolidated specified purpose accounts are categories of budgetary revenue and expenditure which report transactions of certain accounts where enabling legislation requires that revenues be earmarked, and that related payments and expenditures be charged against such revenues.

In the past, earmarked revenues were credited to non-budgetary accounts, with related offsetting payments and expenditures charged thereto. The transactions of these accounts are reported with budgetary revenue and expenditure, in order to provide a more comprehensive reporting of the Government's operating results. Commencing with the 1989-90 fiscal year, transactions in insurance and other specified purposes accounts are reported as budgetary revenue and expenditure. This was done as a result of changes in accounting policies affecting specified purpose accounts and has been applied on a retroactive basis.

NO. OLE CONTRACTOR

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Further, enabling legislation requires that the transactions in each of these accounts be accounted for separately. Table 5.7 presents a summary of the balances and transactions of these accounts, in the manner required by legislation.

The financial statements of the Unemployment Insurance Account, together with the Auditor General's report thereon, are presented at the end of this section.

TABLE 5.7

CONSOLIDATED SPECIFIED PURPOSE ACCOUNTS

| | | Receipts and | other credits | Payments and | other charges | | Net increase | or decrease (-) |
|---|---------------------------------|----------------------------|----------------------------------|----------------------------|----------------------------------|---------------------------------|------------------------------|----------------------------|
| | April 1/1989 | From outside parties | Internal to the Government | With outside parties | Internal to the Government | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$, |
| Unemployment Insurance Account, Table 5.8 | -26,795,428 | 10,738,289,059 | 2,781,529,260 | 12,521,761,846 | | 971,261,045 | 998,056,473 | 208,455,657 |
| Account | 1,907,813,043 | 274,908 | | | | 1,908,087,951 | 274,908 | -766,396 |
| the Canadian Ownership Account | 1,656,854,321 | | | | | 1,656,854,321 | | |
| ship special charge | 2.544.668.264 | 254 000 | | | | 2.564.042.052 | 274.000 | B <6.206 |
| collected | 3,564,667,364 | 274,908 | | | | 3,564,942,272 | 274,908 | -766,396 |
| Account | 635 | 156,108,390 | 236,322,155 | 644,991 | 391,786,189 | | -635 | 8,855,441 |
| Less: interest-bearing loans . | 1,409,795,918 -1,409,795,283 | 156,108,390 | 246,069,995 482,392,150 | 644,991 | 391,786,189 | 1,163,725,923 -1,163,725,923 | -246,069,995 246,069,360 | -95,441,181 104,296,622 |
| Crop Reinsurance Fund Agricultural Commodities | -34,845,153 | 397,304 | | 96,420,584 | | -130,868,433 | -96,023,280 | 40,074,767 |
| Stabilization Accounts Less: interest-bearing loans | 117,867,748 24,054,365 | 165,851,703 | 135,035,219 214,300,838 | 553,138,601 | 216,836,318 | -351,220,249 -190,246,473 | -469,087,997 -214,300,838 | -66,497,381 24,054,365 |
| Environmental Studies | 93,813,383 | 165,851,703 | 349,336,057 | 553,138,601 | 216,836,318 | -160,973,776 | -254,787,159 | -90,551,746 |
| Research Funds | 172,007 | 1,294,302 | | 282,333 | | 1,183,976 | 1,011,969 | -149,817 |
| Insurance Accounts — Fishing Vessel Insurance | | | | | | | | |
| Plan Nuclear Liability | 22,642,963 | 10,905,065 | | 9,534,213 | | 24,013,815 | 1,370,852 | 4,700,476 |
| Reinsurance Account ^{1} Investors' Indemnity | 532,567 | 1,454 | | | | 534,021 | 1,454 | 1,425 |
| Account [1] Land Assurance | 23,834 | 2,091 | 35,000 | 8,728 | | 52,197 | 28,363 | |
| Fund (1) | 1,270,291 | 97,029 | | 622 | | 1,366,698 | 96,407 | 188,967 |
| mentary Account [1] Ship-Source Oil Pollution | 28,387 | | | | | 28,387 | | |
| Fund ^[1] | 149,618,850 174,116,892 | 11,005,639 | 15,629,700 15,664,700 | 465,559 10,009,122 | | 164,782,991 190,778,109 | 15,164,141 16,661,217 | 13,457,885 18,348,753 |

TABLE 5.7

CONSOLIDATED SPECIFIED PURPOSE ACCOUNTS—Concluded

| | | Receipts and | other credits | Payments and | other charges | | Net increase of | or decrease (-) |
|--|------------------|----------------------|----------------------------------|----------------------|----------------------------------|--------------------|--------------------|------------------|
| | April 1/1989 | From outside parties | Internal to the Government | With outside parties | Internal to the Government | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Other Specified Purpose Accounts — | | | | | | | | |
| National Museums of Canada ^{{2} } | 2,372,258 | 3,972,065 | 363,948 | 2,278,533 | | 4,429,738 | 2,057,480 | 968,610 |
| Marconi Celebration Trust Fund [2] Claudia de Hueck Bequest | 50,000 | 44,264 | | 80,264 | | 14,000 | -36,000 | -100,000 |
| Account [2] Natural Sciences and | 408,287 | | 44,760 | 50,753 | | 402,294 | -5,993 | 34,318 |
| Engineering Research Council—Donation | | | | | | | | |
| Trust Fund ^{2} | 18,472 2,773 | 2,773 | | 17,322 5,546 | | 1,150 | -17,322 -2,773 | -22,720 |
| Sioux Lookout Zone Hospital [2] National Battlefields | 2,274 | | 60 | 956 | | 1,378 | -896 | -2,667 |
| Commission Trust Fund ^[2] | 154,343 | | 16,951 | | | 171,294 | 16,951 | 13,537 |
| Ted Harrison Poster Fund ^{2} | 2,202 | 823 | | 2,325 | | 700 | -1,502 | -523 |
| Medical Research Council—Donations | | | | | | | | • • • • • • • |
| for research [2] National Library— | 321,157 | 984,321 | 43,132 | 713,564 | | 635,046 | 313,889 | 268,168 |
| Special Operating Account State National Round Table | 5,597 | 69,899 | | 67,342 | | 8,154 | 2,557 | -8,150 |
| on the Environment and Economy National Archives of Canada | | 15,832 | | | | 15,832 | 15,832 | |
| Account [1] | 151,042 | 25,340 | | 9,598 | | 166,784 | 15,742 | -8,000 |
| Projects [1] Canadian Centre for Occupational Health | 10,000 | 7,347 | | 17,455 | | -108 | -10,108 | 10,000 |
| and Safety— Donations [1] | 960 3,499,365 | 5,065 5,127,729 | 468,851 | 3,243,658 | | 6,025 5,852,287 | 5,065 2,352,922 | 960 1,153,527 |
| Total | | 11,078,349,034 | 3,629,391,018 | 13,185,501,135 | 608,622,507 | 3,278,449,557 | 913,616,410 | 280,861,367 |

^{1} This account was reported in Table 7.14 (Section 7 of this volume) in 1988-89.

Unemployment Insurance Account

The Unemployment Insurance Act provides for a compulsory contributory unemployment insurance program applicable to all employees, with few exceptions.

The Act authorizes an account in the accounts of Canada to be known as the Unemployment Insurance Account.

The Act provides that the following be credited to the Account: (a) premiums, fines, penalties and interest; (b) Government share of benefits paid; (c) refunds of overpayments of benefits, and benefit repayments; (d) amounts for services rendered to other Government departments or agencies, or to the public; (e) amounts provided for any other purpose related to unemployment insurance and authorized by an appropriation administered by the Canada Employment and Immigration Commission; and, (f) interest on the balance of the Account at

such rates as the Minister of Finance may authorize. The Act also provides that the following be charged to the Account: (a) benefits paid under the Act; (b) costs of administering the Act; and (c) interest on advances made by the Minister of Finance.

Maximum weekly employee premiums were \$11.80 from April 1, 1989 to December 31, 1989 and \$12.48 from January 1, 1990 to March 31, 1990. For the same periods, maximum weekly benefits were \$363 from April 1, 1989 to December 31, 1989 and \$384 from January 1, 1990 to March 31, 1990.

Interest-bearing loans are made to the Unemployment Insurance Account, under Section 119(1) of the Unemployment Insurance Act, as a result of deficiencies in contributions from employers and employees. During the year, all outstanding loans were repaid.

This account was reported in Table 7.10 (Section 7 of this volume) in 1988-89.

(in millions of dollars)

Within the Statement of Revenue and Expenditure, receipts and other credits of \$10,738 million (\$11,269 million in 1989) are reported as revenue, while payments and other charges of \$12,522 (\$11,596 million in 1989) are reported as expenditure.

Receipts and other credits of \$2,782 million (\$2,687 million in 1989) and payments and other charges of \$2,152 million in 1989 (nil for 1990), internal to the operations of the Government, have been eliminated in order to present transactions with outside parties, only.

TABLE 5.8

TRANSACTIONS IN THE UNEMPLOYMENT INSURANCE ACCOUNT

| | 1989-90 | 1988-89 |
|--|-----------------------|-------------------------------|
| RECEIPTS AND OTHER CREDITS— Contributions— Employee and employer* Government Investment income Interest-bearing loans from the Government Miscellaneous revenue | 10,969 2,424 36 | 11,508 2,416 16 |
| _ | 13,520 | 13,956 |
| PAYMENTS AND OTHER CHARGES— Benefits Expenses Interest expense Repayments of interest-bearing loans to the Government | 11,439 1,083 | 10,628 968 198 1,954 |
| | 12,522 | 13,748 |
| Net increase Add—Balance at beginnning of year | 998 -27 | 208 -235 |
| Balance at end of year | 971 | -27 |

^{*} Included in employee and employer contributions is \$267 million (\$256 million in 1988-89) from the Government as contribution for employees.

Canadian Ownership Account

This account was established under the authority of Energy, Mines and Resources Vote 5c, Appropriation Act No 4, 1980-81. The account was credited with amounts received from the Canadian Ownership special charge levied to increase public ownership of the oil and gas industry in Canada.

The special charge was cancelled due to deregulation on June 1, 1985. Therefore, any transactions since then are as a result of adjustments due to audits.

Within the Statement of Revenue and Expenditure, receipts and other credits of \$0.3 million (-\$1.0 million in 1989) are reported as revenue.

Western Grain Stabilization Account

The purpose of the Western Grain Stabilization Act is to protect prairie grain producers from unexpected and large income declines, through the stabilization of returns on the production and sale of wheat, oats, barley, rye, domestic mustard seed, canola, flax seed, triticale, mixed grain, sunflower seed, safflower seed, buckwheat, peas, lentils, fababeans and canary seed as well as any other prescribed seed that is produced in the designated area and is a grain for which a grade has been established and designated as "Canada Western" by regulation under the Canada Grain Act.

This account records funds for this purpose which are received from:

- (a) levies paid by participating producers—a levy rate ranging from 2% to 4% applied to a participant's grain sales proceeds not exceeding \$60,000 per year;
- (b) Government contributions equal to levies paid by producers plus an additional 2% of the participating eligible grain sales proceeds of all participants on which levy has been paid by participants;
- (c) interest on the amount standing to the credit of the Account at rates and in accordance with terms and conditions determined by the Minister of Finance; and,
- (d) pursuant to Section 45 of the Western Grain Stabilization Act advances can be made from the Consolidated Revenue Fund when the balance in the Account is not sufficient for the payment of stabilization payments and other amounts required to be charged to the Account pursuant to Section 44 of the Western Grain Stabilization Act.

Within the Statement of Revenue and Expenditure, receipts and other credits of \$156 million (\$201 million in 1989) are reported as revenue, while payments and other charges of \$0.6 million (\$954 million in 1989), are reported as expenditure.

Receipts and other credits of \$236 million (\$3,400 million in 1989), and payments and other charges of \$392 million (\$2,638 million in 1989), internal to the operations of the Government, have been eliminated in order to present transactions with outside parties, only.

Crop Reinsurance Fund

This Fund, established by Section 6(1) of the Crop Insurance Act, provides insurance to participating provinces for costs they incur in operating various crop insurance schemes.

The revenue of the Fund comes from moneys paid by the provinces for the purpose of reinsurance and the expenditure of the Fund are moneys paid to the provinces under the terms of reinsurance agreements.

Within the Statement of Revenue and Expenditure, receipts and other credits of \$0.4 million (\$43 million in 1989) are reported as revenue, while payments and other charges of \$96 million (\$3 million in 1989) are reported as expenditure.

Agricultural Commodities Stabilization Accounts

The purpose of these accounts is to reduce income loss to producers from market risks through stabilizing prices. Premiums are shared equally by the Government of Canada, the governments of participating provinces and participating producers. These premiums should equal the total paid over time. There are several active accounts as follows:

- (a) hogs;
 - (b) feeder cattle and slaughter cattle;
 - (c) feeder calves;
 - (d) lambs;
- (e) apples;
- (f) white pea beans;
- (g) kidney/cranberry and other coloured beans;
- (h) sugar beets;
- (i) honey; and,
- (j) onions.

These accounts were established in the accounts of Canada, pursuant to Section 13.1 of the Agricultural Stabilization Act.

Within the Statement of Revenue and Expenditure, receipts and other credits of \$166 million (\$90 million in 1989) are reported as revenue, while payments and other charges of \$553 million (\$244 million in 1989) are reported as expenditure.

Receipts and other credits of \$135 million (\$90 million in 1989) and payments and other charges of \$217 million (\$2 million in 1989), internal to the operations of the Government, have been eliminated in order to present transactions with outside parties, only.

Environmental Studies Research Funds

These accounts were established in Energy Mines and Resources and Indian Affairs and Northern Development pursuant to Section 76(1) of the Canada Petroleum Resources Act. The purpose of the Funds is to finance environmental and social studies pertaining to the manner in which, and the terms and conditions under which, exploration development and production activities on frontier land, authorized under this Act or any other Act of Parliament, should be conducted.

Within the Statement of Revenue and Expenditure, receipts and other credits of \$1 million (\$0.1 million in 1989) are reported as revenue, while payments and other charges of \$0.3 million (\$0.2 million in 1989) are reported as expenditure.

Insurance Accounts

For the following insurance accounts, within the Statement of Revenue and Expenditure, receipts and other credits of \$11 million (\$12 million in 1989) are reported as revenue, while payments and other charges of \$10 million (\$8 million in 1989) are reported as expenditure.

Receipts and other credits of \$16 million (\$14 million in 1989), internal to the operations of the Government, have been eliminated in order to present transactions with outside parties, only.

Fishing Vessel Insurance Plan

The Fishing Vessel Insurance Plan is administered in accordance with Vote 540, Appropriation Act No. 5, 1955, extended by Vote L38b, Appropriation Act No 1, 1970, to insure fishermen against abnormal capital losses. The account is credited with premiums and recoveries, and with advances in accordance with the regulations, such advances not to exceed at any time \$150,000. The account is charged with refunds of premiums and payments in settlement of third party vessel collision damage claims against fishermen where the collision involves a vessel insured under the Fishing Vessel Insurance Plan. Administration costs are paid from Fisheries and Oceans Vote 1.

Nuclear Liability Reinsurance Account

This account was established pursuant to Sections 16 and 17 of the Nuclear Liability Act, to record premiums and to provide for payment of claims arising from accidents at an insured facility.

Investors' Indemnity Account

Section 57 of the Financial Administration Act provides for this account, and for the crediting thereto of the sum of \$25,000, such further amounts as are appropriated by Parliament for the purpose of this Section, and any recovery of losses referred to in Section 58 of the Act.

Section 58 states that the Minister may, in accordance with and subject to regulations, pay out of the account, any losses sustained by subscribers for Government securities, who have paid all or part of the purchase price but have not received the security or repayment of the amount so paid, and losses sustained by any person in the redemption of securities.

Land Assurance Fund

This account was established pursuant to Sections 160 to 164 of the Land Titles Act, to indemnify title holders who suffer loss through misdescriptions in titles, and from other causes specified in the Land Titles Act. Fees are collected from the parties who register deeds with the Registrar of Land Titles in the Northwest Territories and the Yukon Territory. Interest is added to the fund annually, the present rate being 3% per annum.

Health Insurance Supplementary Account

This account was established pursuant to Vote L16b, Appropriation Act No. 2, 1973, to record payments in respect of persons who, through no fault of their own, have lost or been unable to obtain coverage for the insured health services under the Canada Health Act, and in accordance with the Federal-Provincial Agreement on Eligibility and Portability. Contributions are made by all provinces to the account in proportion to population and are matched by the Federal Government.

Ship-Source Oil Pollution Fund

This account was established pursuant to Section 775 of the amended Canada Shipping Act to record levy tonnage payments for oil carried by ships in Canadian waters. Maritime pollution claims, the fee of the Fund Administrator, and related oil pollution control expenses, are to be financed out of the fund.

During the year, interest was credited to the account and charged to interest on public debt.

Other Specified Purpose Accounts

For the following Other Specified Purpose Accounts, within the Statement of Revenue and Expenditure, receipts and other credits of \$5 million (\$5 million in 1989) are reported as revenue, while payments and other charges of \$3 million (\$4 million in 1989) are reported as expenditure.

Receipts and other credits of \$0.5 million (\$0.3 million in 1989), internal to the operations of the Government, have been eliminated in order to present transactions with outside parties, only.

National Museums of Canada

These accounts were established pursuant to Section 10 of the National Museums Act, and are credited with moneys received by the Corporation, by way of gift, bequest or otherwise, interest on securities, rent or sales of any real property acquired by the Corporation by way of gift, and an amount representing interest on the balance from time to time to the credit of the accounts. The accounts are to be charged with such amounts as are authorized by the Board of Trustees of the Corporation to be expended for the purpose for which such money or property were given, bequeathed or otherwise made available to the Corporation. Securities in connection with these accounts amount to \$2,000 consisting of two Government of Canada marketable bonds bequeathed by the late J Dazell McKee and the late Hugh de T Glazebrook.

During the year, interest was credited to the accounts and charged to interest on public debt.

Marconi Celebration Trust Fund

This account was established by Section 21 of the Financial Administration Act, for the purpose of raising moneys through public subscriptions and others to construct, operate and maintain a National Historic Site in Glace Bay, Nova Scotia to commemorate the efforts and accomplishments of Guglielmo Marconi in the field of wireless communications.

Claudia de Hueck Bequest Account

This account was established by Section 21 of the Financial Administration Act and Section 15 of the Science Council of Canada Act, to record a bequest made by Mrs. Claudia de Hueck to be used to promote the study of humanities and for general educational purposes.

During the year, interest was credited to the account and charged to interest on public debt.

Natural Sciences and Engineering Research Council — Donation Trust Fund

This account was established by Section 27 of the Government Organization (Scientific Activities) Act, 1976 to record monies, securities or other property received by way of gift, bequest or otherwise as approved by the Natural Sciences and Engineering Research Council. The account is charged with payments and with the disposal of such monies, securities or other property, subject to the terms upon which such monies are given, bequeathed or otherwise made available to the Council, and subject to the approval of the Council.

Inuvik General Hospital

This account was established under the authority of Section 21 of the Financial Administration Act to record transactions relating to a donation by the Lions Club for the purchase of items for Ward 300 at the Inuvik General Hospital.

Sioux Lookout Zone Hospital

This account was established under the authority of Section 21 of the Financial Administration Act to record transactions relating to a donation made by the Hospital for Sick Children Foundation to be used to finance a paediatric play program volunteer service at Sioux Lookout Zone Hospital.

National Battlefields Commission Trust Fund

This account was established at the creation of the National Battlefields Commission for the purpose of acquiring various properties for the development of the park. The moneys are received by way of private contributions, from municipal corporations, provincial governments and others, and deposited for the purposes of the Commission, as prescribed for in its Act of incorporation. Following the land acquisitions of the Commission, an amount of money remained in the account and increased over a period of years as a result of interest earned, while the Commission was listed in Schedule C of the Financial Administration Act, prior to September 1, 1984.

During the year, interest was credited to the account and charged to interest on public debt.

Ted Harrison Poster Fund

This account was established by Section 21 of the Financial Administration Act, to accumulate money received from the sale of posters donated to the Whitehorse General Hospital in Whitehorse, Yukon Territory by local artist Ted Harrison. The proceeds from the sales will be used to purchase special equipment for the hospital.

Medical Research Council — Donations for Research

This account was established as a result of the Government's "Matching Grants" policy and records contributions received from organizations and individuals for biomedical research.

During the year, interest was credited to the account and charged to interest on public debt.

National Library Special Operating Account

This account was established pursuant to Section 14 of the National Library Act, which also directed that (a) the account be credited with all money received for the purpose of the National Library by way of donation, bequest or otherwise and (b) any amounts required for the purpose of the Act may be paid out of the account or out of money appropriated by Parliament for such purposes.

National Round Table on the Environment and Economy

This account was established pursuant to Section 21 of the Financial Administration Act, to record gifts and donations received from third parties, and expenses to finance various studies related to the principles of sustainable development in Canada and internationally.

National Archives of Canada Account

This account was established pursuant to Section 10 of the National Archives Act, this account records monies received for the purposes of the National Archives, by way of donation, bequest or otherwise. Amounts received for the purposes of the National Archives Act may be paid out of this account, or out of money appropriated by Parliament for such purposes.

Hungarian Medical School Projects

This account was established by Section 21 of the Financial Administration Act, to record moneys received from the private sector. These donated funds were used to help defray the costs of the Hungarian medical school projects.

Canadian Centre for Occupational Health and Safety — Donations

This account was established by Section 6(3) of the Canadian Centre for Occupational Health and Safety Act, to record moneys, securities or other property received by way of gift, bequest or otherwise, and to disburse such donations at the discretion of the Centre.

SUPPLEMENTARY STATEMENT

Canada Employment and Immigration Commission relating to the Unemployment Insurance Account

AUDITOR'S REPORT

TO THE MINISTER OF EMPLOYMENT AND IMMIGRATION

I have examined the balance sheet of the Canada Employment and Immigration Commission relating to the Unemployment Insurance Account as at December 31, 1989 and the statement of revenue, expenses and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission relating to the Unemployment Insurance Account as at December 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies set out in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Raymond Dubois, F.C.A.
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada July 13, 1990

BALANCE SHEET AS AT DECEMBER 31, 1989 (in thousands of dollars)

| ASSETS | 1989 | 1988 | LIABILITIES AND SURPLUS | 1989 | 1988 |
|---|----------------------------------|---------|-------------------------|--------------------|-------------------|
| Balance of the account with Receiver General for Canada | 1,314,362 | 426,933 | Unredeemed warrants | 245,351 175,446 | 217,795 66,128 |
| Due from Claimants (Note 3) | 176,540 148,302 43,334 64,478 | Surplus | 420,797 1,113,439 | 283,923 355,790 | |
| _ | 1,534,236 | 639,713 | _ | 1,534,236 | 639,713 |

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Approved by the Commission:

H. BRAITER
Executive Director
Finance and Administration

A. KROEGER Chairman

Canada Employment and Immigration Commission relating to the Unemployment Insurance Account—Continued

STATEMENT OF REVENUE, EXPENSES AND SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1989 (in thousands of dollars)

| | 1989 | 1988 |
|--|-------------------------|----------------------------------|
| Revenue | | |
| Premiums (Note 5) | 10,369,237 | 11,876,021 |
| with the Receiver General | 60,458 29,983 | 7,205 20,208 |
| - | 10,459,678 | 11,903,434 |
| Expenses Benefits (Note 6 and Schedule) Administration (Note 7) Interest on advances from Canada | 11,372,817 1,053,699 | 10,715,512 968,034 111,625 |
| Doubtful accounts | 23,542 12,450,058 | 17,101 |
| Excess (deficiency) of revenue over expenses before Government's share | | |
| of benefits | -1,990,380 | 91,162 |
| (Schedule) | 2,748,029 | 2,632,902 |
| Excess of revenue over expenses for the year | 757,649 355,790 | 2,724,064 -2,3 6 8,274 |
| Surplus at end of the year | 1,113,439 | 355,790 |

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1989

1. Authority and objective

The Canada Employment and Immigration Commission, a departmental corporation named in Schedule II to the Financial Administration Act, administers the Unemployment Insurance Act. The objective of the Act is to provide short-term financial relief and other assistance to eligible workers. The financial transactions relating to this objective are reported through the Unemployment Insurance Account.

In the accounts of Canada, the Unemployment Insurance Account was established by Section 112 of the Act. All amounts received under this Act are deposited in the Consolidated Revenue Fund and credited to this Account. Benefits and the cost of administration of the Act are paid out of the Consolidated Revenue Fund and charged to this Account.

Under Part III of the Act, the Minister of National Revenue is responsible for collecting premiums from employers and employees.

The Minister of National Revenue is also responsible, under Part VII of the Act, to administer and enforce the provisions of the Act relating to benefit repayments.

2. Accounting policies

(a) Premiums

The premiums are recorded based on an estimate of the amount to be collected in the current year and include adjustments between actual and estimated premiums of prior years.

(b) Interest

Interest on the balance of the account with the Receiver General for Canada and interest on advances from Canada are recorded on an accrual basis.

(c) Penalties

Penalties, levied pursuant to Section 33 of the Act, are recorded on an accrual basis.

(d) Benefits

Benefits represent the warrants issued during the year less benefit overpayments established by the Commission during the year and benefit repayments estimated to be receivable under Section 123 of the Act including adjustments between actual and estimated repayments of prior years.

(e) Administration

The costs of administration of the Act are determined by the Unemployment Insurance Regulations and are charged to the Account by the Commission.

(f) Government's share of benefits

The government's share of benefits is recorded on an accrual basis.

3. Due from claimants

| | 1989 | 1988 |
|--|---------------|-------------|
| _ | (in thousands | of dollars) |
| Benefit overpayment and penalties | 200,427 | 162,435 |
| Less: allowance for doubtful accounts | 56,606 | 44,631 |
| _ | 143,821 | 117,804 |
| Estimated benefit repayments under Section 123 of | | |
| the Act | 32,719 | 30,498 |
| | 176,540 | 148,302 |

Uncollectable benefit overpayments and penalties written-off during the year under authority of Section 60(2) of the Regulations amounted to \$13.4 million (\$6.7 million in 1988).

Canada Employment and Immigration Commission relating to the Unemployment Insurance Account—Continued

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1989—Continued

4. Due from (to) Canada

| | 1989 | 1988 |
|---|---------------|-------------|
| | (in thousands | of dollars) |
| Government's share of | | |
| benefits | -2,447 | 4,756 |
| Premiums | 81,561 | 54,619 |
| Interest on balance of the account with | | , |
| Receiver General for Canada | 12,620 | 2,072 |
| Administration expenses | -48,135 | 3,125 |
| Benefit repayments | 185 | 111 |
| Other | -450 | -205 |
| _ | 43,334 | 64,478 |
| = | | |

5. Premiums

In 1989, the premium rate for employees was \$1.95 per \$100 of insurable earnings, compared to \$2.35 in 1988. The premium rate for the employers, calculated at 1.4 times the employee rate was reduced to \$2.73 per \$100 of an employee's insurable earnings.

Employers with qualified wage loss insurance plans are entitled to premium reductions. Employers are required to share this reduction with their employees. In 1989, the total amount of premium reductions is estimated at \$444 million (\$426 million in 1988).

6. Overpayments and underpayments of benefits

The large number of claimants to be monitored and the requirement for prompt service require selective internal control procedures rather than universal and therefore the verification of claims is mainly done after claimants have begun to receive benefits.

As a result, overpayments and underpayments of benefits exist which the Commission estimated at \$348 million (\$344 million in 1988) and \$103 million (\$141 million in 1988) respectively. These amounts are included in the benefits for the year.

7. Administration costs

The actual administrative costs of the Commission are calculated on the government fiscal year basis (April 1 to March 31). For purposes of charging the U. I. Account on a calendar year basis, applicable U. I. Administrative costs are apportioned as 9/12 of the amount for the fiscal year plus 3/12 of the amount for the previous fiscal year. The administrative costs calculated in this way totalled \$1,061 million in 1989 (\$975 million in 1988). This amount was offset by approximately \$7.5 million (\$7 million in 1988) for the recovery of costs related to maintaining the Social Insurance Number registry and issuing replacement cards.

8. Contingent liabilities

In the normal course of the operations of the Unemployment Insurance Account, certain appeals against or by the Commission are presently outstanding. In the opinion of management, the result of these appeals will not have a significant impact on the operations of the Unemployment Insurance Account.

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9. Significant event

Bill C-21, the act amending the Unemployment Insurance Act, was passed by the House of Commons on November 6, 1989 but remains under review by the Senate. The proposed legislation eliminates the government's share of benefits and affects various provisions of the U. I. program, including entrance requirements, benefits and imposition of penalties.

Canada Employment and Immigration Commission relating to the Unemployment Insurance Account—Concluded

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1989—Concluded

SCHEDULE OF BENEFITS FOR THE YEAR ENDED DECEMBER 31, 1989 (in thousands of dollars)

| | 1 | 989 | 19 | 88 | |
|----------------------|------------|--------------|------------|-----------|--|
| | | Government's | Government | | |
| | Total | share | Total | share | |
| Regular | 9,739,380 | 2,350,165 | 9,216,704 | 2,249,358 | |
| Maternity | 629,953 | _, | 565,775 | _,, | |
| Paternity | 1,169 | | | | |
| Sickness | 345,941 | | 316,965 | | |
| Training | 267,716 | 110,434 | 237,186 | 103,010 | |
| Job creation | 101,914 | 41,968 | 102,250 | 41,092 | |
| Retirement | 26,043 | | 19,189 | | |
| Work sharing | 21,209 | | 16,860 | | |
| Adoption | 4,821 | | 4,718 | | |
| | 11,138,146 | 2,502,567 | 10,479,647 | 2,393,460 | |
| Fishing | 269,382 | 252,364 | 269,988 | 248,513 | |
| Gross benefits | 11,407,528 | 2,754,931 | 10,749,635 | 2,641,973 | |
| Less: benefit repay- | | | | | |
| ments | 34,711 | 6,902 | 34,123 | 9,071 | |
| | 11,372,817 | 2,748,029 | 10,715,512 | 2,632,902 | |

In accordance with Section 118 and 130 of the Unemployment Insurance Act, the government's share of benefits consists of extended benefits paid under Section 22, Subsections 25(8) and 26(3), and all benefits paid to fishermen less premiums paid by them and their designated employers.

Extended benefits paid under Section 22 of the Act are benefits paid to claimants who have exhausted their initial benefits (and labour force extended benefits, if they are entitled) and who reside in a region where the regional unemployment rate exceeds four per cent.

Extended benefits paid under Subsections 25(8) and 26(3) of the Act are benefits paid to claimants on job creation projects or training courses and whose entitlements are not enough to cover the duration of the project or course plus an additional maximum of three weeks of entitlement after the projects or courses end.

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section 6

1989-90 PUBLIC ACCOUNTS

Loans, Investments and Advances

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LOANS, INVESTMENTS AND ADVANCES

Loans, investments and advances is a category of financial claims represented by debt instruments and ownership interests held by the Government of Canada, acquired through the use of parliamentary appropriations. Some of these appropriations permit repayments to be used for further loans and advances. Many appropriations are non-lapsing, that is, unexpended balances may be carried forward from year to year. Details of the use of non-budgetary appropriations, for loans, investments and advances, can be found in the ministerial sections of Volume II (Part I).

Loans, investments and advances are recorded at cost and are subject to valuation to reflect estimated losses on realization. Foreign currency transactions are translated and recorded in Canadian dollar equivalents at the exchange rates prevailing at the transaction dates. Loans, investments and advances resulting from foreign currency transactions are, in turn, reported at year-end closing rates of exchange; net gains are credited to revenue as premium and discount on exchange, while net losses are charged to budgetary expenditure of the Department of Finance.

The allowance established to reflect estimated losses on realization of financial claims held by the Government has been authorized by the Minister of Finance and the President of the Treasury Board, under Section 63(2) of the Financial Administration Act.

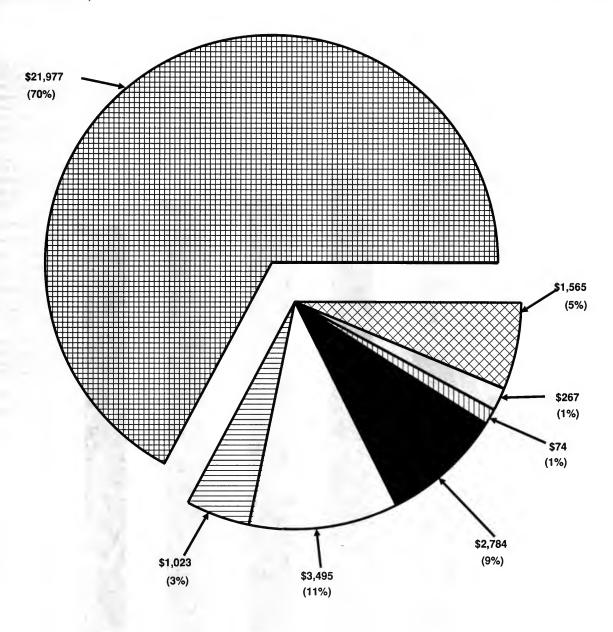
Revenue received during the year on loans, investments and advances, is credited to return on investments; details are given in Section 11 of Volume II (Part II).

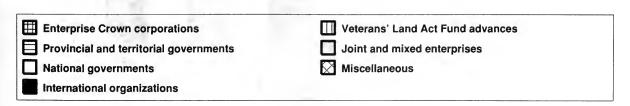
Chart A presents the total loans, investments and advances by category for the current fiscal year, while Chart B compares the total loans, investments and advances for the last five fiscal years. Table 6.1 presents the transactions and year-end balances of loans, investments and advances by category.

Transactions and balances are further summarized in Sections 1 and 2 of this volume.

Some tables in this section present the continuity of accounts, by showing the opening and closing balances, as well as receipts and other credits, and payments and other charges. In addition, the term "account(s) without current transactions" has been included in some tables, to show the net result of transactions in accounts which were closed out in the previous year.

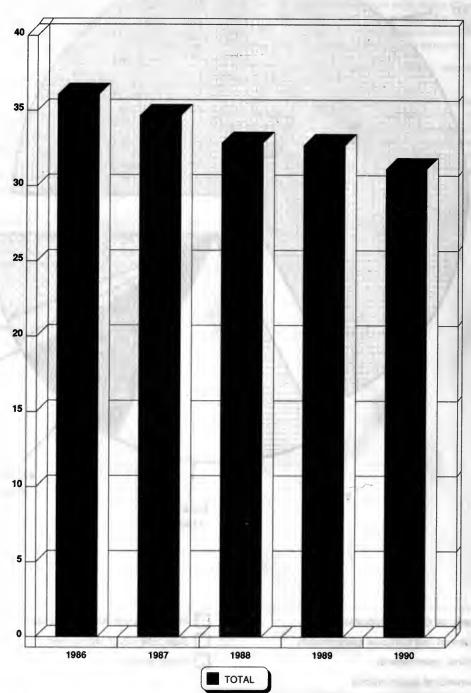
CHART A LOANS, INVESTMENTS AND ADVANCES ^{1} (in millions of dollars)





^{1}Before the allowance for valuation

CHART B LOANS, INVESTMENTS AND ADVANCES $^{\{1\}}$ (in billions of dollars)



^[1] Before the allowance for valuation

TABLE 6.1LOANS, INVESTMENTS AND ADVANCES

| | | | | | Net increase of | r decrease (-) |
|---|----------------|----------------------------|---------------|----------------|----------------------|--------------------|
| | A: 1 1 /1000 | Receipts and other credits | Payments and | March 31/1990 | 1990 | 1989 |
| | April 1/1989 | | other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Enterprise Crown corporations— | | | | | | |
| Lending institutions, Table 6.2— | | | | | | |
| Canada Deposit Insurance Corporation Canada Mortgage and Housing Corpora- | 1,695,000,000 | 320,000,000 | | 1,375,000,000 | -320,000,000 | 361,335,618 |
| tion | 8,904,243,503 | 341,861,255 | 140,878,964 | 8,703,261,212 | -200,982,291 | -272,597,115 |
| Export Development Corporation | 697,000,000 | | 75,000,000 | 772,000,000 | 75,000,000 | -25,000,000 |
| Farm Credit Corporation | 3,472,292,765 | 1,354,819,344 | 1,250,350,000 | 3,367,823,421 | -104,469,344 | -229,546,014 |
| Federal Business Development Bank | 294,000,000 | | | 294,000,000 | | |
| | 15,062,536,268 | 2,016,680,599 | 1,466,228,964 | 14,512,084,633 | -550,451,635 | -165,807,511 |
| All other enterprise Crown corporations, Table 6.3— | | | | | | |
| Canadian National Railway Company | 2,452,298,776 | 12,346,842 | | 2,439,951,934 | -12,346,842 | -11,333,470 |
| Petro-Canada | 4,299,126,174 | | | 4,299,126,174 | | |
| Other | 723,028,399 | 434,696,824 | 437,123,000 | 725,454,575 | 2,426,176 | 175,984,940 |
| | 7,474,453,349 | 447,043,666 | 437,123,000 | 7,464,532,683 | -9,920,666 | 164,651,470 |
| Less: allowance for valuation | 4,200,000,000 | 100,000,000 | | 4,300,000,000 | 100,000,000 | 1,000,000,000 |
| Total enterprise Crown corporations | 18,336,989,617 | 2,563,724,265 | 1,903,351,964 | 17,676,617,316 | -660,372,301 | -1,001,156,041 |
| Other loans, investments and advances— | | | | | | |
| Provincial and territorial governments, | 883,265,884 | 51,319,666 | 191,292,830 | 1 002 220 049 | 139,973,164 | 27.254.520 |
| Table 6.12 | 003,203,004 | 31,319,000 | 191,292,630 | 1,023,239,048 | 139,973,104 | -27,254,529 |
| countries, Table 6.13 | 4,190,689,615 | 893,342,467 | 197,931,607 | 3,495,278,755 | -695,410,860 | -132,383,470 |
| International organizations, Table 6.14 | 4,620,583,036 | 472,483,932 | 517,452,308 | 4,665,551,412 | 44,968,376 | 56,729,687 |
| Less: notes payable, Table 6.14 | 1,906,527,294 | 453,180,287 | 477,809,313 | 1,881,898,268 | -24,629,026 | 33,179,257 |
| | 2,714,055,742 | 925,664,219 | 995,261,621 | 2,783,653,144 | 69,597,402 | 23,550,430 |
| Veterans' Land Act Fund advances, less allow- | | | | | | |
| ance for conditional benefits, Table 6.16 | 91,080,605 | 16,889,355 | 19,885 | 74,211,135 | -16,869,470 | -20,183,733 |
| Joint and mixed enterprises, Table 6.17 | 628,727,426 | 361,993,431 | | 266,733,995 | -361,993,431 | -37,072,275 |
| Miscellaneous, Table 6.18 | 1,690,598,102 | 1,508,002,152 | 1,382,208,412 | 1,564,804,362 | -125,793,740 | 96,501,801 |
| | 10,198,417,374 | 3,757,211,290 | 2,766,714,355 | 9,207,920,439 | -990,496,93 <i>5</i> | <i>-96,841,776</i> |
| Less: allowance for valuation | 6,800,000,000 | | 600,000,000 | 6,200,000,000 | -600,000,000 | -200,000,000 |
| Total other loans, investments and advances | 3,398,417,374 | 3,757,211,290 | 3,366,714,355 | 3,007,920,439 | -390,496,935 | 103,158,224 |
| Total | 21,735,406,991 | 6,320,935,555 | 5,270,066,319 | 20,684,537,755 | -1,050,869,236 | -897,997,817 |

ENTERPRISE CROWN CORPORATIONS

Loans and advances to, and investments in, enterprise Crown corporations represent the balance of financial claims held by the Government against corporations for working capital, capital expenditure and other purposes, investment in the capital stock of corporations, and loans and advances to corporations for re-lending.

A Crown corporation means a parent Crown corporation or a wholly-owned subsidiary; a parent Crown corporation is wholly-owned directly by the Crown; a wholly-owned subsidiary is wholly-owned by one or more parent Crown corporations directly or indirectly through any number of subsidiaries each of which is wholly-owned directly or indirectly by one or more parent Crown corporations.

An enterprise Crown corporation is a Crown corporation that does not rely on Government funding as its principal source of revenue. These include selected corporations listed in Part I and all the corporations listed in Part II of Schedule III of the Financial Administration Act, the Bank of Canada and the Canadian Wheat Board.

An enterprise Crown corporation is ultimately accountable to Parliament, through a minister of the Crown, for the conduct of its affairs. Most of the enterprise Crown corporations listed in the schedules to the Financial Administration Act are agents of Her Majesty in right of Canada. This status is granted in one of the following ways:

- (i) designation by Parliament, through a special act of incorporation;
- (ii) statutory authorization; and,
- (iii) proclamation by the Government Corporations Operation Act.

Financial statements of parent enterprise Crown corporations can be found in Volume III of the Public Accounts. The financial statements of wholly-owned subsidiaries of enterprise Crown corporations are also included in that volume whenever their accounts are not consolidated with those of the parent corporation. These financial statements are appended to those of the related parent enterprise Crown corporation.

Lending Institutions

Table 6.2 presents a summary of the balances and transactions for the various types of loans, investments and advances which were made to enterprise Crown corporations whose primary activity is to provide financial assistance.

TABLE 6.2
ENTERPRISE CROWN CORPORATIONS—LENDING INSTITUTIONS

| | | | | | Net increase or | decrease (-) |
|--|----------------|-------------------------------|----------------------------|----------------|-----------------|--------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Canada Deposit Insurance Corporation | 1,695,000,000 | 320,000,000 | | 1,375,000,000 | -320,000,000 | 361,335,618 |
| Canada Mortgage and Housing Corporation- | | | | | | |
| Capital stock | 25,000,000 | | | 25,000,000 | | |
| Housing | 5,772,858,845 | 228,705,524 | 33,000,000 | 5,577,153,321 | -195,705,524 | -234,064,411 |
| Real estate | 153,699,350 | | 33,878,964 | 187,578,314 | 33,878,964 | 30,225,542 |
| Joint projects | 1,453,587,253 | 45,626,325 | 74,000,000 | 1,481,960,928 | 28,373,675 | 14,735,352 |
| Urban renewal scheme | 10,530,212 | 2,291,639 | | 8,238,573 | -2,291,639 | -3,845,341 |
| Student housing projects | 357,190,013 | 6,395,679 | | 350,794,334 | -6,395,679 | -6,005,725 |
| Sewage treatment projects | 966,056,943 | 28,736,021 | | 937,320,922 | -28,736,021 | -45,528,483 |
| Ownership assistance | 165,320,887 | 30,106,067 | | 135,214,820 | -30,106,067 | -28,114,049 |
| | 8,904,243,503 | 341,861,255 | 140,878,964 | 8,703,261,212 | -200,982,291 | -272,597,115 |
| Export Development Corporation— | | | | | | |
| Capital stock | 697,000,000 | | 75,000,000 | 772,000,000 | 75,000,000 | |
| Account without current transactions | | | | | | -25,000,000 |
| | 697,000,000 | | 75,000,000 | 772,000,000 | 75,000,000 | -25,000,000 |
| Farm Credit Corporation— | | | | | | |
| Contributed capital | 218,333,000 | | 600,000,000 | 818,333,000 | 600,000,000 | 1 |
| Notes | 3,248,998,227 | 1,353,594,216 | 650,350,000 | 2,545,754,011 | -703,244,216 | -228,477,552 |
| Farm syndicates loan fund | 4,961,538 | 1,225,128 | | 3,736,410 | -1,225,128 | -1,068,462 |
| | 3,472,292,765 | 1,354,819,344 | 1,250,350,000 | 3,367,823,421 | -104,469,344 | -229,546,014 |
| Federal Business Development Bank | 294,000,000 | | | 294,000,000 | | |
| Total | 15,062,536,268 | 2,016,680,599 | 1,466,228,964 | 14,512,084,633 | -550,451,635 | -165,807,511 |

Canada Deposit Insurance Corporation

The Corporation was established by the Canada Deposit Insurance Corporation Act, to provide insurance, up to \$60,000 per depositor per institution, on deposits with federal member institutions and approved provincial institutions.

The Corporation is an agent of Her Majesty, reports through the Minister of Finance, and is listed in Part I of Schedule III of the Financial Administration Act.

Section 42 of the Canada Deposit Insurance Corporation Act provides that the Minister of Finance, with the approval of the Governor in Council, may advance to the Corporation amounts by way of loans on such terms and conditions as the Governor in Council may determine. The aggregate of such loans authorized to be outstanding at any time is \$3,000,000,000.

The loans bear interest at rates from 9.950% to 11.362% per annum, and are repayable between July 4, 1990 and January 10, 1994.

During the year, the Corporation paid interest of \$172.2 million to the Government.

Canada Mortgage and Housing Corporation

The Corporation was established by the Canada Mortgage and Housing Corporation Act, to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions in Canada, and to promote the development of communities through the provision of infrastructure facilities.

The Corporation is an agent of Her Majesty, reports through the Minister of Public Works, and is listed in Part I of Schedule III of the Financial Administration Act.

During the year, the Corporation received financial assistance of \$1,735.1 million from budgetary appropriations. It paid interest of \$788.5 million and transferred \$33.9 million of profit to the Government.

Capital stock

The Government's investment in the capital of the Corporation is authorized by Section 16 of the Canada Mortgage and Housing Corporation Act.

Housing

Advances have been made to enable the Corporation to lend money under the following sections of the National Housing Act:

- (a) Section 24(1)—for rental housing projects on the security of a first mortgage and to sell or purchase loans made on rental housing projects;
- (b) Section 26(1)—to any person to assist in
 - (i) the construction, purchase or improvement of a low-rental housing project;
 - (ii) the purchase of existing buildings and the land upon which they are situated and their conversion into a low-rental housing project; or,

- (iii) the conversion of existing buildings into a lowrental housing project;
- (c) Section 27.5—to municipalities for selected neighbourhoods for the purpose of improving premises within the neighbourhood in respect of which the contribution is made:

(d) Section 51(1)—

- (i) to the owner of a family housing unit or of housing accommodation of the hostel or dormitory type for the purpose of assisting in the repair, rehabilitation or improvement thereof;
- (ii) to an occupier of a family housing unit for the purpose of assisting in the repair, rehabilitation or improvement thereof; or,
- (iii) to a non profit corporation for the purpose of assisting in the conversion of an existing residential building owned by the corporation, to a building containing a different number of family housing units, housing accommodation of the hostel or dormitory type or a different number of hostel or dormitory beds;
- (e) Section 61(1)—to cooperatives for the purpose of assisting in the construction, acquisition or improvement of a housing project;
- (f) Section 76(1)—to any person that wishes to undertake a project
 - (i) for individuals or families of low income; or,
 - (ii) to meet the needs of individuals resulting from age, infirmity or other disability;
- (g) Section 80(1)—to provinces, municipalities or public housing agencies to assist in the acquisition and the servicing of land for housing purposes;
- (h) Section 81(1)—to a province, municipality or public housing agency for the construction or acquisition of a public housing project;
- (i) Section 97(1)—to persons to whom a loan is not being made available pursuant to Part I of Section 24, the Corporation may make such a loan subject to the same terms, conditions and limitations that exist under Part I of Section 24; and,
- (j) Section 98—to Indians to assist in the purchase, improvement or construction of housing projects on Indian reserves.

The advances bear interest at rates from 5% to 16.07% per annum, and are repayable over 18 to 50 years, with final instalments between June 30, 1990 and March 31, 2037.

Real estate

Section 92(1) the National Housing Act authorizes advances to: (a) acquire land or housing projects by way of purchase, lease or otherwise; (b) install services in and effect improvements to or in respect of land acquired, and develop and lay out such land for housing purposes; (c) construct, convert or improve housing projects; and, (d) acquire building materials and equipment and other personal property for use in connection with housing projects.

The advances bear interest at rates from 2% to 16.157% per annum, and are repayable over 50 years, with the final instalment on September 30, 2036.

Joint projects

Section 79(1) of the National Housing Act authorizes advances to undertake projects jointly with the government of any province or any agency thereof, for (a) the acquisition and development of land for housing purposes or for any purpose incidental thereof; (b) the construction of housing projects or housing accommodation of the hostel or dormitory type for sale or for rent; and, (c) the acquisition, improvement and conversion of existing buildings for a housing project or for housing accommodation of the hostel or dormitory type.

The advances bear interest at rates from 3% to 17.9% per annum, and are repayable over 25 to 50 years, with final instalments between June 30, 1990 and March 31, 2040.

Urban renewal scheme

Advances have been made to enable the Corporation to lend money under Section 25(1) of the National Housing Act, to a province or municipality, to assist in the implementation of an urban renewal scheme.

The advances bear interest at rates from 5.81% to 7.81% per annum, and are repayable over 15 to 50 years, with final instalments between September 30, 1990 and December 31, 1999.

Student housing projects

Advances have been made to enable the Corporation to lend money under Section 88(1) of the National Housing Act, to a province or an agency thereof, a municipality or an agency thereof, or a hospital, school board, university, college, cooperative association or charitable corporation, to assist in (a) the construction, acquisition or improvement of a student housing project; (b) the acquisition of existing buildings and their conversion into a student housing project; or, (c) the conversion of existing buildings into a student housing project.

The advances bear interest at rates from 5% to 10.054% per annum, and are repayable over 20 to 50 years, with final instalments between September 30, 1993 and September 30, 2030.

Sewage treatment projects

Advances have been made to enable the Corporation to lend money under Section 51 of the National Housing Act, to any province, municipality or municipal sewerage corporation, to assist in the establishment or expansion of a sewage treatment project, and in the construction of a trunk storm sewer system.

The advances bear interest at rates from 5% to 10.376% per annum, and are repayable over 18 to 50 years, with final instalments between September 30, 1993 and December 31, 2023.

Ownership assistance Advances have been made to enable the Corporation to lend money under Sections 57(1) and 58(1) of the National Housing Act, to assist in (a) the construction of a house or a condominium unit by a person who owns the house or condominium unit and intends to occupy the house, one of the family housing units thereof or the condominium unit, or by a builder who intends to sell the house or condominium unit to a person who will own and occupy the house, one of the family housing units thereof or the condominium unit; or, (b) the acquisition of a house or condominium unit by a prospective qualified owner.

The advances bear interest at rates from 7.625% to 10.84% per annum, and are repayable over 18 to 50 years, with final instalments between June 30, 1990 and December 31, 2013.

Export Development Corporation

The Corporation was established by the Export Development Act, to facilitate and develop export trade by the provision of loans, insurance, guarantees and other financial facilities.

The Corporation is an agent of Her Majesty, reports through the Minister for International Trade, and is listed in Part I of Schedule III of the Financial Administration Act.

During the year, the Corporation received financial assistance of \$110.8 million from budgetary appropriations.

The Government's investment in the capital of the Corporation is authorized by Section 11(1) of the Export Development

Farm Credit Corporation

The Corporation was established by the Farm Credit Act, to assist Canadian farmers to establish and develop sound farm enterprises through the use of long-term credit.

The Corporation is an agent of Her Majesty, reports through the Minister of Agriculture, and is listed in Part I of Schedule III of the Financial Administration Act.

Contributed capital

The Government's contribution to the capital of the Corporation is authorized by Section 12(1) of the Farm Credit Act.

During the year, the authorized limit of the Government's contribution was increased to \$825,000,000 pursuant to Agriculture Vote 50b, Appropriation Act No 4, 1989-90.

Notes

Promissory notes are issued to the Minister of Finance in respect of loans made pursuant to Section 13 of the Act, to provide the Corporation with funds for making loans to farmers. The total amount of such loans outstanding at any time may not exceed twenty-five times the capital of the Corporation.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) repayable over 20 years, bearing interest at rates from 9% to 10.14% per annum, with final instalments between July 1, 1997 and July 1, 2000, \$639,105,609;
- (b) repayable over 20 years, bearing interest at rates from 6% to 8.75% per annum, with final instalments between July 1, 1990 and July 1, 1999, \$959,943,630;
- (c) repayable over 12 to 18 years, bearing interest at rates from 9.57% to 10.145% per annum, with final instalments between January 1, 1994 and January 1, 2004, \$115,275,675;
- (d) repayable over 10 years, bearing interest at rates from 9.245% to 11.625% per annum, with final instalments between July 1, 1990 and July 1, 1999, \$383,036,267;
- (e) repayable over 2 to 9 years, bearing interest at rates from 9.135% to 10.67% per annum, with the final instalment on July 1, 1997, \$344,742,830; and,
- (f) repayable within 1 year, bearing interest at rates from 11.097% to 11.375% per annum, \$103,650,000.

During the year, the Corporation paid interest of \$238.8 million to the Government.

Farm syndicates loan fund

Advances have been made by the Minister of Finance, pursuant to Section 8 of the Farm Syndicates Credit Act, to enable the Corporation to make loans. Section 3(1) of the Act allows the Corporation to make loans to a farm syndicate for:

- (a) the purchase of farm machinery;
- (b) the purchase, erection or improvement of buildings; or,

(c) the purchase or improvement of land on which buildings are or are to be erected for use primarily by the syndicate or its members, in their farming operations.

The total amount authorized to be outstanding at any time is \$25,000,000.

The advances bear interest at rates from 9.275% to 10.75% per annum, and are repayable in equal semi-annual instalments over 5 to 7 years, with final instalments between July 1, 1990 and July 1, 2001.

Federal Business Development Bank

The Corporation was established by the Federal Business Development Bank Act, to promote and assist in the establishment and development of business enterprises in Canada, by providing financial assistance, management counselling, management training, information and advice, and such other services as are ancillary or incidental to any of the foregoing.

The Corporation is an agent of Her Majesty, reports through the Minister of Industry, Science and Technology, and is listed in Part I of Schedule III of the Financial Administration Act.

During the year, the Corporation received financial assistance of \$34.2 million from budgetary appropriations.

The Government's contribution to the paid-in capital of the Corporation is authorized by Sections 28 and 52 of the Federal Business Development Bank Act.

All Other Enterprise Crown Corporations

Table 6.3 presents a summary of the balances and transactions for the various types of loans, investments and advances which were made to enterprise Crown corporations engaged in activities other than providing financial assistance.

TABLE 6.3
ALL OTHER ENTERPRISE CROWN CORPORATIONS

| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | Net increase or decrease (-) | |
|-------------------------------------|---------------|----------------------------|----------------------------|---------------|------------------------------|----------------------|
| | | | | | 1990 | 1989 |
| | | | | | | |
| Atomic Energy of Canada Limited [1] | | | | | | |
| Capital stock | 15,000,000 | | | 15,000,000 | | |
| Contributed capital | 149,159,473 | | | 149,159,473 | | |
| Housing | 3,546,875 | 440,365 | | 3,106,510 | -440,365 | -437,180 |
| Bruce heavy water plant | 59,667,104 | 14,297,099 | | 45,370,005 | -14,297,099 | -13,257,451 |
| Commercial products division | 883,650 | 230,133 | | 653,517 | -230,133 | -394,065 |
| Gentilly II nuclear power station | 140,853,941 | 2,634,941 | | 138,219,000 | -2,634,941 | -2,408,754 |
| Heavy water inventory | 19,500,000 | 1,000,000 | | 18,500,000 | -1,000,000 | |
| Lepreau nuclear station | 280,089,977 | 5,055,785 | | 275,034,192 | -5.055,785 | -4,608,468 |
| Lepieau nuclear station | 668.701.020 | 23,658,323 | | 645,042,697 | -23.658.323 | -21,105,918 |
| Less: consolidation adjustment [1] | 668,701,020 | 23,658,323 | | 645,042,697 | -23,658,323 | -21,105,918 |
| Canadian National Railway Company | | | | | | |
| Capital stock | 2,278,866,774 | | | 2,278,866,774 | | |
| Consolidated loan | 173,432,002 | 12,346,842 | | 161,085,160 | -12,346,842 | -11,333,470 |
| | 2,452,298,776 | 12,346,842 | | 2,439,951,934 | -12,346,842 | –11,333,4 7 0 |

TABLE 6.3

ALL OTHER ENTERPRISE CROWN CORPORATIONS—Concluded

| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | Net increase or decrease (-) | |
|---|---------------|----------------------------|----------------------------|---------------|------------------------------|-------------------|
| | | | | | 1990 | 1989 |
| | \$ | \$ | \$ | s \$ | \$ | \$ |
| Petro-Canada | | | | 1 | | |
| Capital stock—Common | 3,326,354,321 | | | 3,326,354,321 | | |
| Preferred | 972,771,853 | | | 972,771,853 | | Charles St. L. L. |
| | 4,299,126,174 | | | 4,299,126,174 | | |
| | 6,751,424,950 | 12,346,842 | | 6,739,078,108 | -12,346,842 | -11,333,470 |
| Other— | | | | | | |
| Bank of Canada | 5,920,000 | | | 5,920,000 | | |
| Canada Development Investment Corporation | 395,658,315 | | | 395,658,315 | | 105 |
| Canada Ports Corporation | 1,486,695 | 80,677 | | 1,406,018 | -80,677 | -75,095 |
| Saint John Harbour Bridge Authority | 13,858,088 | 132,313 | | 13,725,775 | -132,313 | -123,731 |
| | 15,344,783 | 212,990 | | 15,131,793 | -212,990 | -198,826 |
| Canada Post Corporation | 80,000,000 | | | 80,000,000 | | 80,000,000 |
| Canadian Broadcasting Corporation [1] | 33,000,000 | | | 33,000,000 | | |
| Canadian Dairy Commission | 73,248,000 | 277,447,500 | 251,963,000 | 47,763,500 | -25,484,500 | 61,652,000 |
| Capital stock | 976 | | | 976 | | |
| Advances | 324,024 | | | 324.024 | | ø |
| Advances | 325,000 | | | 325,000 | | |
| Canadian Saltfish Corporation | 41,000,000 | 83,000,000 | 86.000,000 | 44,000,000 | 3,000,000 | 12,150,000 |
| Cape Breton Development Corporation | 41,000,000 | 42,963,032 | 9,000,000 | 7,036,968 | -33,963,032 | 19,081,505 |
| Freshwater Fish Marketing Corporation | 16,500,000 | 27,244,181 | 32,900,000 | 22,155,819 | 5,655,819 | 11,300,000 |
| Halifax Port Corporation | 3,820,233 | 334,057 | , | 3,486,176 | -334,057 | -303,687 |
| Mingan Associates, Ltd ^{1} | 6,968,083 | 407.056 | | 6.561.027 | -407.056 | 202 111 |
| Montreal Port Corporation | 0,908,083 | 407,030 | 17,260,000 | 17,260,000 | | -383,111 |
| Prince Rupert Port Corporation Royal Canadian Mint— | | | 17,200,000 | 17,200,000 | 17,260,000 | |
| Capital stock | 16,235,152 | 2,673,065 | | 13,562,087 | -2,673,065 | -7,988,735 |
| Loans | 10,233,132 | 2,073,003 | 40,000,000 | 40,000,000 | 40,000,000 | -1,700,733 |
| Loans | 16,235,152 | 2,673,065 | 40,000,000 | 53,562,087 | 37.326.935 | -7,988,735 |
| Saint John Port Corporation | 20,052,457 | 2,073,003 | 40,000,000 | 20,052,457 | 37,320,933 | -7,900,733 |
| St John's Port Corporation | 3,332,784 | 200.622 | | 3,132,162 | -200,622 | 875,163 |
| Vancouver Port Corporation | 3,948,592 | 214,321 | | 3,734,271 | -214,321 | -199,369 |
| VIA Rail Canada Inc ^[1] | 9,300,000 | 217,321 | | 9,300,000 | -217,521 | -177,507 |
| VIZINATI CANAGA INC | 765,653,399 | 434.696.824 | 437,123,000 | 768,079,575 | 2,426,176 | 175,984,940 |
| Less: consolidation adjustment ^[1] | 42,625,000 | 151,050,021 | 757,125,000 | 42,625,000 | 2,720,170 | 1,0,00,0 |
| | 723,028,399 | 434,696,824 | 437,123,000 | 725,454,575 | 2,426,176 | 175,984,940 |
| Total | 7,474,453,349 | 447,043,666 | 437,123,000 | 7,464,532,683 | -9,920,666 | 164,651,470 |

In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

Atomic Energy of Canada Limited

The Corporation was incorporated pursuant to the Canada Corporations Act, and continued under the Canada Business Corporations Act, to develop the utilization of atomic energy for peaceful purposes.

The Corporation is an agent of Her Majesty, reports through the Minister of Energy, Mines and Resources, and is listed in Part I of Schedule III of the Financial Administration Act.

During the year, the Corporation received financial assistance of \$205.6 million from budgetary appropriations. It paid interest of \$59 million to the Government.

Capital stock

The Government's investment in the capital of the Corporation is recorded in this account.

Contributed capital

The Government's contribution to the capital of the Corporation is recorded in this account.

Housing

Loans have been made to finance the construction of housing near the Whiteshell Nuclear Research Establishment.

The loans bear interest at rates from 5% to 8.5% per annum, and are repayable in equal monthly instalments over 30 years, with final instalments between September 30, 1990 and June 30, 2003.

Bruce heavy water plant

Loans have been made to finance the construction of the Bruce heavy water plant at Douglas Point, Ontario.

The loans bear interest at rates from 6.687% to 8.5% per annum, and are repayable in equal monthly instalments over 17 years, with the final instalment on December 31, 1992.

Commercial products division

Loans have been made to finance the construction of manufacturing facilities and a laboratory at South March, Ontario.

The loans bear interest at rates from 6.687% to 7.625% per annum, and are repayable in equal monthly instalments over 20 years, with final instalments due September 30, 1992.

Gentilly II nuclear power station

Loans have been made to finance a share in the construction of the CANDU-PHW 600 generating station at Gentilly, under an agreement with the Province of Quebec and Hydro-Quebec.

The loan, consolidated in 1983-84, bears interest at the rate of 9.18% per annum, and is repayable in equal annual instalments over 25 years, with the final instalment on April 7, 2008.

Heavy water inventory

Loans have been made to finance the production and purchase of heavy water for lease or resale to Canadian and foreign users.

The loans bear interest at the rate established every May 1st and November 1st by the Minister of Finance, in respect of borrowings having a six month term by Crown corporations. The loans are repayable in equal semi-annual instalments over 20 years, with the final instalment on May 1, 2008.

Lepreau nuclear station

Loans have been made to finance a share in the construction of the nuclear generating station at Lepreau.

The loan, consolidated in 1980-81, bears interest at the rate of 9.706% per annum, and is repayable in equal annual instalments over 25 years, with the final instalment on April 1, 2008.

Canadian National Railway Company

The Corporation was established by the Canadian National Railways Act, to provide, operate and manage a national system of railways.

The Corporation is not an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part II of Schedule III of the Financial Administration Act.

During the year, the Corporation received financial assistance of \$7 million from budgetary appropriations.

Capital stock

The Government's investment in the capital of the Corporation is recorded in this account.

Consolidated loan

The loan bears interest at the rate of 8.75% per annum, and is repayable in semi-annual instalments over 20 years, with the final instalment on June 30, 1998.

During the year, the Corporation paid interest of \$14.9 million to the Government.

In 1989-90, dividends of \$47,644,192 were forgiven pursuant to Transport Vote 46b, Appropriation Act No 4, 1989-90.

Petro-Canada

The Corporation was established by the Petro-Canada Act, to explore, research, develop, produce and distribute hydrocarbons and other types of fuel and energy, and to engage or invest in ventures related thereto.

The Corporation is an agent of Her Majesty, reports through the Minister of Energy, Mines and Resources, and is listed in Part II of Schedule III the Financial Administration Act.

During the year, Petro-Canada International Assistance Corporation (a wholly-owned subsidiary of Petro-Canada) received financial assistance of \$49.3 million from budgetary appropriations.

The Government's investment in the capital of the Corporation is authorized by Sections 5, 22, 24 and 26 of the Petro-Canada Act.

In 1989-90, 14,343 common shares having a par value of \$1,434.3 million were surrendered by the Government to the Corporation for cancellation. The surrender by the Government was authorized by PC 1990-302 dated February 21, 1990. The reduction in share capital due to the cancellation of the shares by the Corporation was offset by an increase in corporate retained earnings. This increase was used to absorb the effects of a writedown in book value of the Corporation's net assets resulting from the adoption of the successful efforts method of accounting. The Government believes that the change in accounting method does not indicate an impairment in the market value of the Corporation. As a consequence, and because the Government continues to own 100% of the Corporation, no adjustment has been made in 1989-90 to the net recorded value of the Government's investment in the Corporation.

Bank of Canada

The Bank of Canada was established by the Bank of Canada Act, to regulate credit and currency, in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit, and to mitigate, by its influence, fluctuations in the general levels of production, trade, prices and employment so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of Canada.

The Bank is not an agent of Her Majesty and reports through the Minister of Finance.

The Government's investment in the capital of the Bank is authorized by Section 17 of the Bank of Canada Act. An amount of \$5,000,000 represents the par value of 100,000 shares, and

the remaining balance of \$920,000 represents premiums paid in respect of the acquisition, in 1938, of shares held by the public.

During the year, the Bank remitted profit of \$2,238.8 million to the Government.

Canada Development Investment Corporation

The Corporation was incorporated pursuant to the Canada Business Corporations Act, to:

- (a) assist in the creation or development of businesses, resources, properties and industries of Canada;
- (b) expand, widen and develop opportunities for Canadians to participate in the economic development of Canada through the application of their skills and capital in any activities carried on by the Corporation;
- (c) invest in the shares or securities of any corporation owning property or carrying on business related to the economic interests of Canada;
- (d) invest in ventures or enterprises, including the acquisition of property, likely to benefit Canada; and,
- (e) carry out all activities in the best interests of Canada, operating in a commercial manner.

The Corporation is an agent of Her Majesty, reports through the Minister of State (Privatization), and is listed in Part II of Schedule III of the Financial Administration Act.

The Government's investment in the capital of the Corporation is recorded in this account. The balance in the account represents the value of 101 common shares of the Corporation without nominal or par value.

Canada Ports Corporation

The Corporation was established by the Canada Ports Corporation Act, to administer, manage and control Canadian harbours, and any other harbour, work or property of Canada transferred by the Governor in Council.

The Corporation is an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part II of Schedule III of the Financial Administration Act.

During the year, the Corporation received financial assistance of \$32.1 million from budgetary appropriations.

Under the authority of the Canada Ports Corporation Act, loans are made to finance capital expenditures of various harbours under the jurisdiction of the Canada Ports Corporation. A summary of the balances and transactions for the loans made to various harbours follows:

| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 |
|------------|--------------|----------------------------------|----------------------------------|---------------|
| | \$ | \$ | \$ | \$ |
| Belledune | 865,336 | 49,991 | | 815,345 |
| Chicoutimi | 621,359 | 30,686 | | 590,673 |
| | 1,486,695 | 80,677 | | 1,406,018 |

The loans bear interest at rates from 6.44% to 9.09% per annum, and are repayable in equal annual instalments over 20 years, with final instalments on December 31, 2000.

During the year, the Corporation paid interest of \$112,209 and dividends of \$2 million to the Government.

Saint John Harbour Bridge Authority

Loans have been made to the Saint John Harbour Bridge Authority in respect of a vehicular bridge across the harbour of Saint John. An agreement between Canada, the Province of New Brunswick, the City of Saint John and the Saint John Harbour Bridge Authority, dated July 7, 1966, requires that debentures issued by the Authority and acquired by the Canada Ports Corporation shall be related exclusively to the financing of the total capital costs of the bridge (see also Table 6.18, Miscellaneous loans, investments and advances).

The loans bear interest at rates from 6.687% to 8.5% per annum, and are repayable in equal semi-annual instalments over 50 to 51 years, with final instalments between January 1, 2020 and January 1, 2021.

During the year, the Authority paid interest of \$0.9 million to the Government.

Canada Post Corporation

The Corporation was established by the Canada Post Corporation Act, to make postal services available to the public.

The Corporation is an agent of Her Majesty, reports through the Minister of State and Leader of the Government in the House of Commons, and is listed in Part II of Schedule III of the Financial Administration Act.

During the year, the Corporation received financial assistance of \$184.5 million from budgetary appropriations.

A loan has been made to the Corporation pursuant to Section 29 of the Canada Post Corporation Act, to finance capital and extraordinary restructuring costs. The aggregate amount of loans to be outstanding at any time shall not exceed \$500,000,000.

The loan bears interest at the rate of 9.705% per annum, and is repayable on April 27, 1998.

The Corporation paid interest of \$7.8 million to the Government in 1989-90.

Canadian Broadcasting Corporation

The Corporation was established by the Broadcasting Act, to provide a national broadcasting service in both official languages, and an international broadcasting service predominantly Canadian in content and character.

The Corporation is an agent of Her majesty and reports through the Minister of Communications.

During the year, the Corporation received financial assistance of \$981.4 million from budgetary appropriations.

Advances have been made to the Corporation for purposes of working capital. The total amount authorized to be outstanding at any time is \$33,000,000.

The advances are non-interest bearing and are repayable using the amounts on hand (cash and marketable securities) which, at any time, are in excess of what is required by the Corporation for working capital purposes.

Canadian Dairy Commission

The Corporation was established by the Canadian Dairy Commission Act, to provide, to efficient producers of milk and cream, the opportunity of obtaining a fair return for their labour and investment, and to provide, to consumers of dairy products, a continuous and adequate supply of high quality dairy products.

The Corporation is an agent of Her Majesty, reports through the Minister of Agriculture, and is listed in Part I of Schedule III the Financial Administration Act.

During the year, the Corporation received financial assistance of \$3.9 million from budgetary appropriations.

Loans have been made to the Corporation, to finance its dealings in dairy products. The total amount authorized to be outstanding at any time is \$300,000,000.

The loans bear interest at rates from 11.296% to 12.485% per annum, and are repayable within 1 year.

The Corporation paid interest of \$9.3 million to the Government in 1989-90.

Canadian National (West Indies) Steamships Ltd

The Corporation was incorporated pursuant to the Canada Corporations Act, and continued under the Canada Business Corporations Act, to provide steamship services between Canada and the West Indies.

The Corporation is an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part I of Schedule III of the Financial Administration Act. The Corporation was authorized to be dissolved pursuant to the Crown Corporations Dissolution Authorization Act.

Steps have been initiated to wind-up the Corporation and assign the accounts receivable to the Minister of Finance. As of the year end, however, dissolution had not taken place because of unresolved legal implications with the BankAmerica International (formerly the Bank of America) and the United States Government.

Capital stock

The Government's investment in the capital of the Corporation is recorded in this account.

Advances

The advances are repayable from moneys to be received upon collection of the final instalment on the sale of the eight vessels to Cuban interests which was due to be paid August 19, 1963 by an irrevocable letter of credit issued through the Bank-

America International. However, on July 3, 1963, the United States Cuban Assets Control Regulations became effective which prohibited the BankAmerica International from honouring payment of the draft. Since that time, negotiations to obtain a preferred status, in order to collect the receivable, have not been successful. It is the opinion of management, based on legal counsel, that these moneys plus applicable interest will be collected when the regulations are repealed.

A waiver of the application of the statute of limitations has been obtained until January 1, 1991, and further extensions will be obtained as required.

Canadian Saltfish Corporation

The Corporation was established by the Saltfish Act, to improve the earnings of primary producers of cured cod fish.

The Corporation is an agent of Her Majesty, reports through the Minister of Fisheries and Oceans, and is listed in Part I of Schedule III of the Financial Administration Act.

Loans have been made to the Corporation, pursuant to Section 16 of the Saltfish Act, to enable it to carry on its operations.

The aggregate amount of loans authorized to be outstanding at any time, borrowed from all lenders, is \$50,000,000.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) repayable within 1 year, bearing interest at rates from 11.184% to 11.995% per annum, with final instalments between July 16, 1990 and September 18, 1990, \$43,000,000; and,
- (b) repayable over 10 years, bearing interest at the rate of 10.94% per annum, with the final instalment on March 30, 2000, \$1,000,000.

During the year, the Corporation paid interest of \$5 million to the Government.

Cape Breton Development Corporation

The Corporation was established by the Cape Breton Development Corporation Act, to stimulate economic adjustment and expansion on Cape Breton Island, while rationalizing the coal industry.

The Corporation is an agent of Her Majesty, reports through the Minister of Industry, Science and Technology, and is listed in Part I of Schedule III of the Financial Administration Act.

During the year, the Corporation received financial assistance of \$54 million from budgetary appropriations.

Advances have been made for the purpose of providing working capital for the coal division of the Corporation. The total amount authorized to be outstanding at any time is \$50,000,000.

The advances are non-interest bearing and have no fixed repayment dates.

Freshwater Fish Marketing Corporation

The Corporation was established by the Freshwater Fish Marketing Act, to regulate interprovincial and export trade in freshwater fish, and to market and trade in fish.

The Corporation is an agent of Her Majesty, reports through the Minister of Fisheries and Oceans, and is listed in Part I of Schedule III of the Financial Administration Act.

Loans have been made to the Corporation, pursuant to Section 16 of the Freshwater Fish Marketing Act, to enable it to carry on its operations.

The aggregate amount of loans authorized to be outstanding at any time, borrowed from all lenders, is \$30,000,000.

The loans bear interest at rates from 11.47% to 11.72% per annum, and are repayable between November 16, 1990 and January 26, 1991.

During the year, the Corporation paid interest of \$1.6 million to the Government.

Halifax Port Corporation

The Corporation was established by the Canada Ports Corporation Act, to administer, manage and control the Port of Halifax.

The Corporation is an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part II of Schedule III of the Financial Administration Act.

Loans have been made to finance capital expenditures related to the Port of Halifax.

The remaining loan bears interest at the rate of 10% per annum, and is repayable in equal annual instalments over 10 years, with the final instalment on December 31, 1996.

During the year, the Corporation paid interest of \$382,023 and dividends of \$1.8 million to the Government.

Mingan Associates, Ltd

The Corporation was established by letters patent, granted under the laws of the Province of Quebec.

The Corporation is not an agent of Her Majesty, reports through the Minister of Indian Affairs and Northern Development, and is listed in Part I of Schedule III of the Financial Administration Act.

In 1983-84, the Government purchased all of the 21,606 common shares without par value of the Corporation for an amount of \$355,000, which was charged to budgetary expenditure (Indian Affairs and Northern Development Vote 10). These shares were purchased to gain ownership of a parcel of land owned by the Corporation which was required to be converted into reserve land. Parliamentary authority will be sought to wind-up the Corporation.

Montreal Port Corporation

The Corporation was established by the Canada Ports Corporation Act, to administer, manage and control the Port of Montreal.

The Corporation is an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part II of Schedule III of the Financial Administration Act.

Loans have been made to finance capital expenditures related to the Port of Montreal.

The remaining loan bears interest at the rate of 6.25% per annum, and is repayable in equal annual instalments over 20 years, with the final instalment on December 31, 2000.

During the year, the Corporation paid interest of \$435,505 and dividends of \$8.8 million to the Government.

Prince Rupert Port Corporation

The Corporation was established by the Canada Ports Corporation Act, to administer, manage and control the Port of Prince Rupert.

The Corporation is an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part II of Schedule III of the Financial Administration Act.

During the year, loans were authorized by Transport Vote L50, Appropriation Acts No 1 and No 3 1989-90, to finance capital expenditures related to the Port of Prince Rupert.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) bearing interest at rates of 9.57% to 9.63% per annum, repayable in equal annual instalments over 20 years, with the final instalment on December 31, 2009, \$4,500,000; and,
- (b) bearing interest at the rate of 10.14% per annum, repayable in equal annual instalments over 20 years, with the final instalment on December 31, 2010, \$12,760,000.

During the year, the Corporation paid interest of \$83,562 and dividends of \$3 million to the Government.

Royal Canadian Mint

The Corporation was established by the Royal Canadian Mint Act, to:

- (a) produce and arrange for the production and supply of coins of the currency of Canada;
- (b) produce coins of the currency of other countries;
- (c) melt, assay, refine, buy and sell gold, silver and other metals for the account of Canada; and,
- (d) make medals, plaques and other things as are incidental to the powers of the Mint.

The Corporation is an agent of Her Majesty, reports through the Minister of Supply and Services, and is listed in Part II of Schedule III of the Financial Administration Act.

Capital stock

Section 3.1(1) of the Royal Canadian Mint Act states that the authorized capital of the Mint is \$40,000,000 divided into four thousand shares of ten thousand dollars each.

During the year, the Corporation issued the four thousand shares to the Minster of Supply and Services Canada, to be held in trust for Her Majesty in right of Canada.

Loans

Section 17(1) of the Act states that the Mint may borrow money from the Consolidated Revenue Fund or any other source but the aggregate of the amounts loaned to the Mint and outstanding at any time shall not exceed \$50,000,000.

Section 17(3) of the Act states that the Mint shall not borrow money without the approval of the Minister of Finance with respect to the time and the terms and conditions of the transaction.

The loans bear interest at rates from 8.25% to 12% per annum, and are repayable over 1 to 10 years, with final instalments between April 1, 1995 and April 1, 1998.

During the year, the Corporation paid interest of \$1.7 million and transferred \$60.4 million of profit to the Government.

Saint John Port Corporation

The Corporation was established by the Canada Ports Corporation Act, to administer, manage and control the Port of Saint John.

The Corporation is an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part II of Schedule III of the Financial Administration Act.

Loans have been made to finance capital expenditures related to the Port of Saint John.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) bearing interest at rates from 11% to 11.875% per annum, repayable at maturity on December 31, 1998 and December 31, 1999, \$10,817,600;
- (b) bearing interest at the rate of 12.43% per annum, repayable at maturity on December 31, 2000, \$6,665,062; and,
- (c) bearing interest at the rate of 11.625% per annum, repayable at maturity on December 31, 2005, \$2,569,795.

During the year, the Corporation paid interest of \$2.4 million to the Government.

St John's Port Corporation

The Corporation was established by the Canada Ports Corporation Act, to administer, manage and control the Port of St John's.

The Corporation is an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part II of Schedule III of the Financial Administration Act.

Loans have been made to finance capital expenditures related to the Port of St John's.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) bearing interest at the rate of 9.33% per annum, repayable in equal annual instalments over 20 years, with the final instalment on December 31, 2000, \$1,327,551;
- (b) bearing interest at the rate of 10.015% per annum, repayable in equal annual instalments over 10 years, with the final instalment on December 31, 1997, \$868,320;
- (c) bearing interest at the rate of 9.785% per annum, repayable in equal annual instalments over 10 years, with the final instalment on December 31, 1998, \$702,454; and,
- (d) bearing interest at the rate of 9.375% per annum, repayable in equal annual instalments over 10 years, with the final instalment on December 31, 1998, \$233,837.

During the year, the Corporation paid interest of \$320,894 to the Government.

Vancouver Port Corporation

The Corporation was established by the Canada Ports Corporation Act, to administer, manage and control the Port of Vancouver.

The Corporation is an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part II of Schedule III of the Financial Administration Act.

Loans have been made to finance capital expenditures related to the Port of Vancouver.

The remaining loan bears interest at the rate of 7.5% per annum, and is repayable in equal annual instalments over 20 years, with the final instalment on December 31, 2000.

During the year, the Corporation paid interest of \$296,145 and dividends of \$22.2 million to the Government.

VIA Rail Canada Inc.

The Corporation was incorporated pursuant to the Canada Business Corporations Act, to revitalize passenger rail services in Canada, and to manage and market them on an efficient commercial basis, reducing the financial burden on the Government.

The Corporation is not an agent of Her Majesty, reports through the Minister of Transport, and is listed in Part I of Schedule III of the Financial Administration Act.

During the year, the Corporation received financial assistance of \$521.1 million from budgetary appropriations.

The Government's investment in the capital of the Corporation is recorded in this account.

Summary Financial Statements of Enterprise Crown Corporations

The following tables display details of the assets, liabilities, revenues and expenses of enterprise Crown corporations.

Tables 6.4 to 6.6 present the assets, liabilities, revenues, expenses and changes to the equity of enterprise corporations grouped in five segments. The segment of competitive, self-sustaining corporations consists of those corporations named in Schedule III, Part II of the Financial Administration Act.

For those corporations having year ends other than March 31, the data are based on unaudited interim financial statements which have been prepared on a basis consistent with the most recent audited financial statements.

The tables summarize the financial transactions and results of operations of each enterprise Crown corporation in accordance with its own respective accounting policies. Most Crown corporations follow the generally accepted accounting principles used by private sector companies, as outlined in the Handbook of the Canadian Institute of Chartered Accountants.

Financial assets include cash, receivables, loans and investments. Physical assets and deferred charges represent the unexpensed portion of non-financial assets such as buildings, machinery and equipment in use or under construction, inventories and other items of expenditure which will be expensed as these assets are used. Financial assets and liabilities in respect of the Government and other Crown corporations represent the unpaid balances arising from financing transactions and normal operating activities. Borrowings from outside parties represent amounts repayable to institutional and other investors. Other liabilities are amounts due in respect of purchases, employee termination and pension benefits, accrued interest on borrowings, long-term capital leases and sundry accounts payable.

Revenues include financial assistance received or receivable from the Government in respect of the current year's operations. Expenses are segregated between those relating to outside parties, Government and other Crown corporations as well as other adjustments and dividends paid to outside parties. These adjustments may increase or reduce the amount of income accruing to the Government. Equity transactions with the Government include dividends declared, transfers of profits to the Government and non-current financial assistance provided by the Government.

These tables present consolidated financial information on parent enterprise Crown corporations and financial information on unconsolidated wholly-owned subsidiaries. Volume III of the Public Accounts includes a complete list of all parent Crown corporations, wholly-owned subsidiaries, other subsidiaries and associates.

Enterprise Crown corporations are also categorized as being either agents or non-agents of the Crown. Agency status may be expressly stated in the incorporating legislation or conferred under the provisions of the Government Corporations Operation Act. In accordance with Section 54 of the Financial Administration Act, the payment of all money borrowed by agent enterprise Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund. Such borrowings therefore constitute obligations of the Government

and are recorded as such in the summary financial statements of Canada net of borrowings expected to be repaid directly by these corporations. The gross amounts of such borrowings are included under "Liabilities, Outside Parties". A summary of such borrowings and the changes during the year ended March 31, 1990 is presented in Table 6.7.

Borrowings by non-agent enterprise Crown corporations are not, in law, obligations of the Government. However, when the Government expressly guarantees such borrowings, they become potential obligations of the Government. Such guarantees amounted to \$0.1 million as at March 31, 1990. A summary of borrowing transactions by non-agent enterprise Crown corporations is presented in Table 6.8. The maturity and currency of enterprise Crown corporations' borrowings is presented in Table 6.9. Contingent liabilities of enterprise Crown corporations are presented in Table 6.10.

A summary of financial assistance under Government budgetary appropriations to enterprise Crown corporations for the year ended March 31, 1990 is provided in Table 6.11. Differences in figures reported in Table 6.6 and those reported in Table 6.11 result from the use of different accounting policies and from items in transit.

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TABLE 6.4

SUMMARY COMBINED FINANCIAL STATEMENTS OF ENTERPRISE CROWN CORPORATIONS BY SEGMENT (in thousands of dollars)

| | Competitive, self-sustaining | Bank of Canada | Lending and insurance | Marketing | Other | Total |
|--|---------------------------------|-----------------------|-----------------------|--------------------|---------------------|-------------------------|
| ASSETS AND LIABILITIES AND EQUITY AS AT MARCH 31, 1990 | | | | | | |
| Assets Financial Outside parties Government and other Crown | 3,096,194 | 1,259,609 | 22,864,591 | 5,219,964 | 65,754 | 32,506,112 |
| corporations | 692,508 | 21,907,696 | 797,400 | 80,633 | 36,772 | 23,515,009 |
| Total financial assets | 3,788,702 | 23,167,305 | 23,661,991 | 5,300,597 | 102,526 | 56,021,121 |
| Physical assets and deferred charges | 14,789,063 | 151,296 | 360,158 | 1,084,186 | 985,849 | 17,370,552 |
| Total assets | 18,577,765 | 23,318,601 | 24,022,149 | 6,384,783 | 1,088,375 | 73,391,673 |
| Liabilities Outside parties Borrowings Bank of Canada notes in circulation and | 4,752,147 | | 9,317,106 | 4,354,413 | 1,569 | 18,425,235 |
| amounts owing to depositors Other liabilities Government and other Crown | 3,742,298 | 22,459,961 584,245 | 1,515,805 | 1,875,496 | 63,231 | 22,459,961 7,781,075 |
| corporations | 1,535,634 | 244,395 | 12,853,940 | 149,510 | 21,162 | 14,804,64 |
| otal liabilities | 10,030,079 8,547,686 | 23,288,601 30,000 | 23,686,851 335,298 | 6,379,419 5,364 | 85,962 1,002,413 | 63,470,912 9,920,76 |
| otal liabilities and equity | 18,577,765 | 23,318,601 | 24,022,149 | 6,384,783 | 1,088,375 | 73,391,673 |
| Contingent liabilities | 337,761 | 48,700 | 119,474 | 8,676 | 855 | 515,466 |
| REVENUES, EXPENSES AND CHANGES IN GUITY OR THE YEAR ENDED MARCH 31, 1990 Revenues Outside parties Government and other Crown | 12,761,213 | | 2,659,916 | 5,355,317 | 364,556 | 21,141,002 |
| corporations | 233,800 938,249 | 2,424,541 | 33,000 149,859 | 47,696 16,475 | 467 10,632 | 314,963 3,539,750 |
| Other | 13,933,262 | 2,424,541 | 2,842,775 | 5,419,488 | 375,655 | 24,995,721 |
| | 13,933,202 | 2,424,541 | 2,642,773 | 3,417,400 | 373,033 | 24,333,12 |
| xpenses Outside parties Government and other Crown | 12,668,829 | 185,700 | 1,545,322 | 5,399,462 | 451,400 | 20,250,713 |
| corporations | 1,158,941 | | 1,085,242 | 32,236 | 3,009 | 2,279,42 |
| otal expenses | 13,827,770 | 185,700 | 2,630,564 | 5,431,698 | 454,409 | 22,530,14 |
| let income/loss(-) for the yeardjustments | 105,492 2,160,090 | 2,238,841 | 212,211 | -12,210 4,599 | -78,754 -54 | 2,465,586 2,164,63 |
| Government share of income/ | -2,054,598 | 2,238,841 | 212,211 | -16,809 | -78,700 | 300,94 |
| Equity transactions with the Government | 683,666 9,918,618 | -2,238,841 30,000 | 625,532 -502,445 | -865 23,038 | 53,963 1,027,150 | -876,545 10,496,36 |
| Equity of Canada, end of the year | 8,547,686 | 30,000 | 335,298 | 5,364 | 1,002,413 | 9,920,76 |

Notes to Table 6.5 are an integral part of this table.

TABLE 6.5

FINANCIAL POSITION OF ENTERPRISE CROWN CORPORATIONS —ASSETS AND LIABILITIES AS AT MARCH 31, 1990

(in thousands of dollars)

| | | Assets | | | | | |
|--|------------|--------------------|------------|------------|--|--|--|
| | Fin | ancial | D1 1 1 | | | | |
| | | _ | Physical | | | | |
| | | Government | assets and | | | | |
| | Outside | and other | deferred | | | | |
| Enterprise Crown corporations [1] | parties | Crown corporations | charges | Total | | | |
| Competitive, self-sustaining | | | | | | | |
| Canada Development Investment Corporation [2] | 397,336 | 147,577 | 5,239 | 550,152 | | | |
| Canada Ports Corporation | 1,583 | 80,753 | 35,864 | 118,200 | | | |
| Canada Post Corporation | 514,214 | 64,754 | 1,928,816 | 2,507,78 | | | |
| anadian National Railway System | 529,884 | 141,458 | 6,465,734 | 7,137,07 | | | |
| Ialifax Port Corporation | 3,370 | 6.665 | 58,957 | 68,99 | | | |
| Iontreal Port Corporation | 8,886 | 64,693 | 156,172 | 229,75 | | | |
| etro Canada{3} | 1,606,300 | 43,055 | 5,626,634 | 7,275,989 | | | |
| ort of Quebec Corporation | 1,374 | 24,013 | 45,954 | 71,34 | | | |
| rince Rupert Port Corporation | 1,108 | 12,757 | 99,026 | 112,89 | | | |
| oyal Canadian Mint | 18,183 | 4,436 | 71,398 | 94,01 | | | |
| aint John Port Corporation | 842 | 13,717 | 77,865 | 92,42 | | | |
| John's Port Corporation | 469 | 1,610 | 14,625 | 16,70 | | | |
| eleglobe Canada (4) | 311 | 1,010 | 14,020 | 31 | | | |
| ancouver Port Corporation | 12,334 | 87,020 | 202,779 | 302,133 | | | |
| otal-Competitive, self-sustaining | 3,096,194 | 692,508 | 14.789.063 | • | | | |
| ank of Canada | | | | 18,577,765 | | | |
| | 1,259,609 | 21,907,696 | 151,296 | 23,318,601 | | | |
| ending and Insurance | | | | | | | |
| anada Deposit Insurance Corporation | 494,114 | 24,810 | 1,018 | 519,942 | | | |
| anada Mortgage and Housing Corporation | 8,853,486 | 56,360 | 16,995 | 8,926,84 | | | |
| Insurance Programs | 175,578 | 665,950 | 134,345 | 975,873 | | | |
| xport Development Corporation | 6,950,445 | 10,142 | | 6,960,58 | | | |
| arm Credit Corporation | 3,623,795 | | 192,924 | 3,816,719 | | | |
| ederal Business Development Bank | 2,767,173 | 40,138 | 14,876 | 2,822,187 | | | |
| otal-Lending and insurance | 22,864,591 | 797,400 | 360,158 | 24,022,149 | | | |
| arketing | | | | | | | |
| anadian Commercial Corporationanadian Dairy Commission | 828,008 | 1,814 | | 829,822 | | | |
| Marketing operations | 21,899 | 46,279 | 78,027 | 146,205 | | | |
| anadian Saltfish Corporation | 9,839 | 140 | 6,319 | 16,298 | | | |
| anadian Wheat Board, The | 4,351,974 | 32,361 | 976,516 | 5,360,851 | | | |
| reshwater Fish Marketing Corporation | 8,244 | 39 | 23,324 | 31,607 | | | |
| otal-Marketing | 5,219,964 | 80,633 | 1,084,186 | 6,384,783 | | | |
| ther | | | | | | | |
| lantic Pilotage Authority | 648 | 5 | 1,314 | 1,967 | | | |
| ape Breton Development Corporation | 27.333 | 698 | 447,288 | 475,319 | | | |
| reat Lakes Pilotage Authority, Ltd | 1,836 | | 46 | 1,882 | | | |
| aurentian Pilotage Authority | 3,107 | | 603 | 3,710 | | | |
| acific Pilotage Authority | 3,263 | | 1,463 | 4,726 | | | |
| Lawrence Seaway Authority, The | 29,339 | 36.069 | 534,879 | 600,287 | | | |
| eaway International Bridge Corporation Ltd, The | 228 | 30,007 | 256 | 1 484 | | | |
| otal-Other | 65,754 | 36,772 | 985,849 | 1,088,375 | | | |
| otal-Enterprise | 32,506,112 | 23,515,009 | 17,370,552 | 73,391,673 | | | |

⁽¹⁾ All enterprise Crown corporations listed in this table are parent Crown corporations except the Seaway International Bridge Corporation, Ltd which is an unconsolidated subsidiary.

^[2] Canada Development Investment Corporation (CDIC): During 1988, the operating assets of Canada Eldor Inc. (CEI) (formerly Eldorado Nuclear Limited) were transferred to Cameco - A Canadian Mining & Energy Corporation (Cameco) in exchange for notes and a 38.5% interest in Cameco. Also during 1988, the corporation acquired two subsidiaries from Atomic Energy of Canada Limited - Nordion International Inc. (Nordion) and Theratronics International Limited (Theratronics). On December 12, 1989, Bill C-13, an Act authorizing the divestiture of Nordion and Theratronics by CDIC was passed by the House of Commons. Pursuant to a directive received from the Government, CDIC acquired a 51% interest in Ginn Publishing Canada Inc. (Ginn) on May 26, 1989. The financial statements of Cartierville Financial Corporation Inc. (CFC) and CEI, have been consolidated with those of CDIC. The earnings of Nordion, Theratronics and Ginn and/or gains or losses on dispositions do not accrue to the benefit of CDIC, therefore, the investment is carried at the lower of cost and net realizable value.

⁽³⁾ Subsequent to March 31, 1989, Petro Canada announced a retroactive change in accounting policy. This change is reflected in the values reported in Tables 6.4, 6.5, and 6.6. The effect was to reduce the government's equity by \$1,188 million.

⁽⁴⁾ On April 4,1987, the Teleglobe Canada Reorganization and Divestiture Act received Royal Assent pursuant to the letter of intent signed February 11,1987 selling the assets of Teleglobe Canada to Memotec Data Inc. The Corporation is potentially liable for bills of exchange. The liability amounts to £15,473,811 (\$28,915,911) as at March 31,1990 and matures in 1993.

| | Liabilities | | | | |
|------------|-------------------|--------------|----------------------|--------------------|------------|
| Ouside | parties | Government | | | Total |
| | | and other | | Equity | liabilitie |
| | | Crown | Total | of | |
| | 0.1 | | | | and |
| Borrowings | Other | corporations | liabilities | Canada | equity |
| | | | | | |
| 566,320 | 15,610 | 141,829 | 723,759 | -173,607 | 550,152 |
| | 2,741 | 2,372 | 5,113 | 113,087 | 118,200 |
| | 841,588 | 176,100 | 1,017,688 | 1,490,096 | 2,507,784 |
| 1,715,777 | 1,552,061 | 322,839 | 3,590,677 | 3,546,399 | 7,137,076 |
| | 2,802 | 3,486 | 6,288 | 62,704 | 68,992 |
| | 11,556 | 8,767 | 20,323 | 209,428 | 229,751 |
| 2,450,354 | 1,274,159 | 769,651 | 4,494,164 | 2,781,825 | 7,275,989 |
| | 3,617 | 164 | 3,781 | 67,560 | 71,341 |
| | 4,805 | 65,560 | 70,365 | 42,526 | 112,891 |
| | 18,705 | 17,129 | 35,834 | 58,183 | 94,017 |
| 19,696 | 1,888 | 20,681 | 42,265 | 50,159 | 92,424 |
| | 594 | 3,219 | 3,813 | 12,891 | 16,704 |
| | | 17 | 17 | 294 | 311 |
| | 12,172 | 3,820 | 15,992 | 286,141 | 302,133 |
| 4,752,147 | 3,742,298 | 1,535,634 | 10,030,079 | 8,547,686 | 18,577,765 |
| | 23,044,206 | 244,395 | 23,288,601 | 30,000 | 23,318,601 |
| | 547 | 1,407,238 | 1,407,785 | -887,843 | 519,942 |
| | | 8,820,007 | | • | • |
| | 56,834 870,741 | | 8,876,841 975,700 | 50,000 | 8,926,841 |
| £ 000 110 | 371,320 | 4,968 | 875,709 6,179,106 | 100,164 | 975,873 |
| 5,802,119 | • | 5,667 | | 781,481 | 6,960,587 |
| 1,215,613 | 59,536 | 2,615,450 | 3,890,599 | -73,880 265,376 | 3,816,719 |
| 2,299,374 | 156,827 | 610 | 2,456,811 | 365,376 | 2,822,187 |
| 9,317,106 | 1,515,805 | 12,853,940 | 23,686,851 | 335,298 | 24,022,149 |
| | 788,297 | 1,473 | 789,770 | 40,052 | 829,822 |
| | 97,922 | 48,283 | 146,205 | | 146,205 |
| | 6,827 | 44,159 | 50,986 | -34,688 | 16,298 |
| 4,354,413 | 973,839 | 32,599 | 5,360,851 | , | 5,360,851 |
| | 8,611 | 22,996 | 31,607 | | 31,607 |
| 4,354,413 | 1,875,496 | 149,510 | 6,379,419 | 5,364 | 6,384,783 |
| 102 | 960 | 114 | 1,176 | 791 | 1,967 |
| 102 | 25,179 | 20,994 | 46,173 | 429,146 | 475,319 |
| | 3,448 | 20,777 | 3,448 | -1,566 | 1,882 |
| 1,459 | 3,882 | | 5,341 | -1,631 | 3,710 |
| 1,737 | 2,739 | | 2,739 | 1,987 | 4,726 |
| | 26,555 | 54 | 26,609 | 573,678 | 600,287 |
| 8 | 20,333 468 | 5 ⁴ | 476 | 313,018 | 484 |
| 1,569 | 63,231 | 21,162 | 85,962 | 1,002,413 | 1,088,375 |
| 18,425,235 | 30,241,036 | 14,804,641 | 63,470,912 | 9,920,761 | 73,391,673 |

TABLE 6.6

REVENUES, EXPENSES AND OTHER CHANGES IN EQUITY OF ENTERPRISE CROWN CORPORATIONS FOR THE YEAR ENDED MARCH 31, 1990

(in thousands of dollars)

| | | Rev | enues | |
|--|-----------------|--------------------------|---|------------|
| | | | rnment and | |
| Enterprise Crown corporations | Outside parties | Financial assistance [1] | 2,634 8,559 229,073 506,391 805 12,258 91,481 4,163 705 70,335 1,562 288 9,995 938,249 2,424,541 3,874 65,162 56,868 526 23,429 149,859 | Total |
| Competitive, self-sustaining | | | | |
| Canada Development Investment Corporation | 18,855 | | 2,634 | 21,489 |
| Canada Ports Corporation | 6,537 | | 8,559 | 15,096 |
| Canada Post Corporation | 3,342,520 | 184,500 | | 3,756,093 |
| Canadian National Railway System | 3,686,633 | | 506,391 | 4,193,024 |
| Halifax Port Corporation | 18,347 | | | 19,152 |
| Montreal Port Corporation | 53,557 | | 12,258 | 65,815 |
| Petro Canada | 4,996,477 | 49,300 | 91,481 | 5,137,258 |
| Port of Quebec Corporation | 10,169 | | 4,163 | 14,332 |
| Prince Rupert Port Corporation | 14,315 | | | 15,020 |
| Royal Canadian Mint | 546,028 | | 70,335 | 616,363 |
| Saint John Port Corporation | 11,355 | | 1,562 | 12,917 |
| St John's Port Corporation | 2,985 | | | 3,273 |
| Teleglobe Canada | 244 | | | 244 |
| Vancouver Port Corporation | 53,191 | | 9,995 | 63,186 |
| Total-Competitive, self-sustaining | 12,761,213 | 233,800 | 938.249 | 13,933,262 |
| Bank of Canada | | | | 2,424,541 |
| Lending and insurance | | | | |
| Canada Deposit Insurance Corporation | 270,206 | | 3.874 | 274,080 |
| Canada Mortgage and Housing Corporation | 782,485 | | | 847,647 |
| Insurance Programs | 176,515 | | | 233,383 |
| Export Development Corporation | 629,313 | | | 629,839 |
| Farm Credit Corporation | 422,690 | | - | 422,690 |
| Federal Business Development Bank | 378,707 | 33,000 | 23 429 | 435,136 |
| Total-Lending and insurance | 2,659,916 | 33,000 | • | 2,842,775 |
| Marketing | | | | |
| Canadian Commercial Corporation | 689,788 | 17,089 | | 706,877 |
| Marketing operations | 403,381 | | 10,806 | 414,187 |
| Canadian Saltfish Corporation | 39,470 | | 5,669 | 45,139 |
| Canadian Wheat Board, The | 4,173,235 | 30,607 | 0,000 | 4,203,842 |
| Freshwater Fish Marketing Corporation | 49,443 | 20,001 | | 49,443 |
| Total-Marketing | 5,355,317 | 47,696 | 16,475 | 5,419,488 |
| Other | | | | |
| Atlantic Pilotage Authority | 7,268 | 467 | 25 | 7,760 |
| Cape Breton Development Corporation | 223,394 | | 4,836 | 228,230 |
| Great Lakes Pilotage Authority, Ltd | 9,182 | | | 9,182 |
| Laurentian Pilotage Authority | 28,497 | | | 28,497 |
| Pacific Pilotage Authority | 26,092 | | | 26,092 |
| St. Lawrence Seaway Authority, The | 67,971 | | 5,771 | 73,742 |
| Seaway International Bridge Corporation Ltd, The | 2,152 | | • • • | 2,152 |
| Total-Other | 364,556 | 467 | 10,632 | 375,655 |
| Total-Enterprise | 21,141,002 | 314,963 | 3,539,756 | 24,995,721 |

⁽¹⁾ This column records only that portion of financial assistance received or receivable from the federal Government that has been credited to operations. A further amount of \$798,168 representing capital and operating appropriations received by the corporations is included in "Equity transactions with Government". Revenues "Other" include amounts generated from the sale of goods and services, investment income as well as grants where the corporations qualify as a member of a general class of recipients. The total financial assistance accounted for by the corporations during the year does not agree with the amount reported in Table 6.11 because of differences resulting from the different accounting policies followed.

| Exp | penses | | | | | | | |
|--------------------|---|------------|----------------------|-------------|--|---|--------------------------------|--------------------------|
| Outside parties | Government and Crown corporations ^[1] | Total | Income/or loss(-) | Adjustments | Government share of net income/or loss(-) | Equity tranactions with Government | Equity beginning of year | Equity end of year |
| 313,127 | | 313,127 | -291,638 | 1,358 | -290,280 | | 116,673 | -173,607 |
| 17,733 | -5,428 | 12,305 | 2,791 | 1,556 | 2,791 | 29,205 | 81,091 | 113,087 |
| 3,188,251 | -3,428 419,042 | 3,607,293 | 148,800 | -301,309 | -152,509 | 27,203 | 1,642,605 | 1,490,096 |
| 3,749,308 | 269,128 | 4,018,436 | 174,588 | -301,307 | 174,588 | -41,150 | 3,412,961 | 3,546,399 |
| , . | 1,066 | 14,655 | 4,497 | | 4,497 | -1,604 | 59.811 | 62,704 |
| 13,589 | 4,921 | 60,220 | 5,595 | | 5,595 | -1,496 | 205,329 | 209,428 |
| 55,299 | , | , | 3,393 18,464 | -1,859,447 | -1.840,983 | 671,000 | 3,951,808 | 2,781,825 |
| 4,725,240 | 393,554 | 5,118,794 | | -1,039,447 | 2,416 | -658 | 65,802 | 67,560 |
| 11,916 | 206 | 11,916 | 2,416 | | 4,140 | -974 | 39,360 | 42,526 |
| 10,574 | 306 | 10,880 | 4,140 | -692 | 6,506 | 40,000 | 11,677 | 58,183 |
| 539,074 | 70,091 | 609,165 | 7,198 | -092 | -255 | 40,000 | 50,414 | 50,159 |
| 10,117 | 3,055 | 13,172 | -255 517 | | | | , | , |
| 2,130 | 626 | 2,756 | 517 | | 517 | 2.500 | 12,374 | 12,891 294 |
| 99 | 63 | 162 | 82 | | 82 | -2,500 | 2,712 | |
| 32,372 | 2,517 | 34,889 | 28,297 | | 28,297 | -8,157 | 266,001 | 286,141 |
| 12,668,829 | 1,158,941 | 13,827,770 | 105,492 | -2,160,090 | -2,054,598 | 683,666 | 9,918,618 | 8,547,686 |
| 185,700 | | 185,700 | 2,238,841 | | 2,238,841 | -2,238,841 | 30,000 | 30,000 |
| -65,724 | 165,811 | 100,087 | 173,993 | | 173,993 | | -1,061,836 | -887,843 |
| 213,187 | 607,992 | 821,179 | 26,468 | | 26,468 | -26,468 | 50,000 | 50,000 |
| -8,980 | 73,043 | 64,063 | 169,320 | | 169,320 | | -69,156 | 100,164 |
| 834,987 | -7,007 | 827,980 | -198,141 | | -198,141 | 75,000 | 904,622 | 781,481 |
| 184,183 | 241,196 | 425,379 | -2,689 | | -2,689 | 600,000 | -671,191 | -73,880 |
| 387,669 | 4,207 | 391,876 | 43,260 | | 43,260 | -23,000 | 345,116 | 365,376 |
| 1,545,322 | 1,085,242 | 2,630,564 | 212,211 | | 212,211 | 625,532 | -502,445 | 335,298 |
| 691,615 | 8,112 | 699,727 | 7,150 | | 7,150 | -865 | 33,767 | 40,052 |
| 400,193 | 13,994 | 414,187 | | | | | | |
| 56,289 | 8,210 | 64,499 | -19,360 | -4,599 | -23,959 | | -10,729 | -34,688 |
| 4,203,842 | | 4,203,842 | | | | | | |
| 47,523 | 1,920 | 49,443 | | | | | | |
| 5,399,462 | 32,236 | 5,431,698 | -12,210 | -4,599 | -16,809 | -865 | 23,038 | 5,364 |
| 7,322 | 25 | 7,347 | 413 | | 413 | | 378 | 791 |
| 302,000 | | 302,000 | -73,770 | | -73,770 | 53,963 | 448,953 | 429,146 |
| 9,515 | | 9,515 | -333 | 54 | -279 | | -1,287 | -1,566 |
| 30,125 | | 30,125 | -1,628 | | -1,628 | | -3 | -1,631 |
| 26,738 | | 26,738 | -646 | | -646 | | 2,633 | 1,987 |
| 74,015 | 2,517 | 76,532 | -2,790 | | -2,790 | | 576,468 | 573,678 |
| 1,685 | 467 | 2,152 | · | | | | 8 | 8 |
| 451,400 | 3,009 | 454,409 | -78, 754 | 54 | -78,700 | 53,963 | 1,027,150 | 1,002,413 |
| 20,250,713 | 2,279,428 | 22,530,141 | 2,465,580 | -2,164,635 | 300,945 | -876,545 | 10,496,361 | 9,920,761 |

* |

Borrowings by Agent Enterprise Crown Corporations

Table 6.7 summarizes the borrowing transactions by agent enterprise Crown corporations made on behalf of Her Majesty. This information is published to satisfy Section 49 of the Financial Administration Act (FAA) which requires that "An annual statement of all borrowing transactions on behalf of Her Majesty shall be included in the Public Accounts". The borrowings are from other than the Government. In accordance with Section 54 of the FAA, the payment of all money borrowed by agent enterprise Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund.

Such borrowings therefore constitute obligations of the Government and are recorded as such in the summary financial statements of Canada net of borrowings expected to be repaid directly by these corporations. As at March 31, 1990, an allowance for borrowings expected to be repaid by the Government was established at \$3,550 million.

Borrowings by non-agent enterprise Crown corporations are not included in this table because such borrowings are not on behalf of Her Majesty. Table 6.8 provides information on borrowings of such corporations.

ALC: U

TABLE 6.7

BORROWINGS BY AGENT ENTERPRISE CROWN CORPORATIONS (in thousands of dollars)

| _ | Balance April 1/1989 | Borrowings and other credits | Repayments and other charges | Balance March 31/1990 |
|--|---|--|---|---|
| Canada Development Investment Corporation Canadian Wheat Board, The Export Development Corporation Farm Credit Corporation Federal Business Development Bank Petro Canada Saint John Port Corporation Seaway International Bridge Corporation, Ltd., The Teleglobe Canada(4) | 525,138 3,767,331 5,198,057 1,328,156 2,065,349 2,096,814 19,696 8 | 58,297 17,610,029 40,141,196 4,600,603 8,004,223 | 17,115 17,022,947 39,537,134 112,543 4,366,578 7,650,683 | 566,320 4,354,413 5,802,119 1,215,613 2,299,374 2,450,354 19,696 8 |
| otal | 15,000,549 | 70,414,348 | 68,707,000 | 16,707,897 |
| Allowance for borrowings of agent enterprise Crown corporations expected to be repaid by the Government | -3,185,000 | | 365,000 | -3,550,000 |
| Borrowings expected to be repaid by agent enterprise Crown Corporations reported on the Statement of Assets and Liabilities | 11,815,549 | 70,414,348 | 69,072,000 | 13,157,897 |

Notes to Table 6.5 are an integral part of this table.

Borrowings by Enterprise Crown Corporations

Table 6.8 summarizes the borrowing transactions of agent and non-agent enterprise Crown corporations. Borrowings of non-agent enterprise Crown corporations are not on behalf of Her Majesty.

TABLE 6.8

BORROWINGS BY ENTERPRISE CROWN CORPORATIONS (in thousands of dollars)

| | Balance April 1/1989 | Borrowings and other credits | Repayments and other charges | Balance March 31/1990 |
|---|-------------------------|------------------------------------|------------------------------------|---------------------------|
| Borrowings by agent enterprise Crown corporations | 15,000,549 | 70,414,348 | 68,707,000 | 16,707,897 |
| Borrowings by non-agent enterprise Crown corporations— Atlantic Pilotage Authority Canadian National Railway System Laurentian Pilotage Authority | 275 1,715,358 | 79,108 1,459 | 173 78,689 | 102 1,715,777 1,459 |
| | 1,715,633 | 80,567 | 78,862 | 1,717,338 |
| · Ootal · · · · · · · · · · · · · · · · · · · | 16,716,182 | 70,494,915 | 68,785,862 | 18,425,235 |

Notes to Table 6.5 are an integral part of this table.

Maturity and Currency of Borrowings by Enterprise Crown Corporations

Table 6.9 summarizes the maturity and currency of borrowings by agent and non-agent enterprise Crown corporations, as at March 31, 1990.

TABLE 6.9

MATURITY AND CURRENCY OF BORROWINGS BY ENTERPRISE CROWN CORPORATIONS

(in thousands of dollars)

| Year of maturity | Agent | Non-agent | Total |
|------------------|------------|-----------|------------|
| 1991 | 3,396,226 | 84,538 | 3,480,764 |
| 1992 | 7,033,406 | 53,263 | 7,086,669 |
| 1993 | 889,367 | 39,718 | 929,085 |
| 1994 | 1,424,934 | 144,335 | 1,569,269 |
| 1995 | 418,442 | 144,213 | 562,655 |
| 1996/2000 | 1.002.981 | 499,765 | 1,502,746 |
| 2001/2005 | 1,372,341 | 515,794 | 1,888,135 |
| 2006 and after | 1,170,200 | 235,712 | 1,405,912 |
| Total | 16,707,897 | 1,717,338 | 18,425,235 |

Notes to Table 6.5 are an integral part of this table.

Contingent Liabilities of Enterprise Crown Corporations

Table 6.10 summarizes the contingent liabilities of enterprise Crown corporations. A contingent liability is defined as a

potential liability which may become an actual liability when one or more future events occur or fail to occur.

TABLE 6.10

CONTINGENT LIABILITIES OF ENTERPRISE CROWN CORPORATIONS (in thousands of dollars)

| | March 31, 1990 |
|--|----------------|
| Agent enterprise Crown corporations | |
| Bank of Canada-loan guarantees | 48,700 |
| Canada Mortgage and Housing Corporation-insulation claims and other litigation | 52,600 |
| Canada Ports Corporation-miscellaneous litigation | 1,709 |
| Canadian Commercial Corporation-contract damages | 8,676 |
| Export Development Corporation-loan guarantees and loans with recourse Federal Business Development Bank-loan guarantees Halifax Port Corporation-miscellaneous litigation | 64,589 |
| Federal Business Development Bank-loan guarantees | 2,285 |
| Halifay Port Corroration—miscellaneous litigation | 1,024 |
| Montreal Port Corporation-miscelleneous litigation | 6,300 |
| Petro Canada-loan guarantee | 226,000 |
| Port of Quebec Corporation-miscelleneous litigation | 6,000 |
| St John's Port Corporation-miscelleneous litigation | 364 |
| St Lawrence Seaway Authority-claims for damages | 67,448 |
| St Lawrence Seaway Autonity-claims to I damages Teleglobe Canada-guaranteed bills of exchange | 28.916 |
| Telegiote Canada-guaranteen bilis of exchange | |
| | 514,611 |
| Non-agent enterprise Crown corporations | |
| Atlantic Pilotage Authority-miscelleneous litigation | 855 |
| and the state of t | 855 |
| | 833 |
| Total | 515,466 |

Notes to Table 6.5 are an integral part of this table.

⁽¹⁾ The borrowings are composed of U.S.\$ 9,975,375 ,£ 1,454 , SF 193,229 , ¥ 288,056 , Austl\$ 94,272 , N.Z.\$ 9,528 , DM 228,774, ECU 222,247 , and Cdn\$ 7,412,300.

Financial Assistance Under Budgetary Appropriations to Enterprise Crown Corporations

Table 6.11 summarizes financial assistance under budgetary appropriations for both agent and non-agent enterprise Crown corporations. It should be read in conjunction with Table 6.6. The purpose for which payments have been made under budge-

tary appropriations is segregated between: (a) amounts to cover operating expenses and (b) amounts for capital expenditures.

All amounts reported represent charges to appropriations or authorities approved by Parliament.

TABLE 6.11

FINANCIAL ASSISTANCE UNDER BUDGETARY APPROPRIATIONS TO ENTERPRISE CROWN CORPORATIONS FOR THE YEAR ENDED MARCH 31, 1990 (in thousands of dollars)

| | Financial assistance | Pt | irpose |
|---|--|------------|----------------------|
| | under budgetary appropriations ^{{1} } | Operations | Capital expenditures |
| Agent enteprise Crown corporations | | | - |
| Canada Ports Corporation | 32,053 | 32,053 | |
| Canada Post Corporation | 184,500 | 184,500 | |
| Canadian Commercial Corporation | 17,089 | 17,089 | |
| Canadian Dairy Commission | 3,874 | 3,874 | 1 |
| Canadian Wheat Board, The | 30,608 | 30,608 | |
| Cape Breton Development Corporation | 53,963 | 39,089 | 14,874 |
| Export Development Corporation | 110,845 | 110,845 | |
| Federal Business Development Bank | 34,189 | 34,189 | 1 7 11 |
| Petro-Canada | 49,300 | 49,300 | APRIL DO NOT |
| St Lawrence Seaway Authority, The | 26,900 | 26,900 | |
| | 543,321 | 528,447 | THE 14,874 |
| Non-agent enterprise Crown corporations | | | do come or or |
| Canadian National Railway System | 6,955 | 6,955 | |
| Laurentian Pilotage Authority | 1,673 | 1.673 | 0.000 FAGE |
| • | 8,628 | 8,628 | |
| Total | 551,949 | 537,075 | 14,874 |

^[1] Excludes grants and contributions paid to agent and non-agent enterprise Crown corporations where they qualify as members of a general class of recipients.

PROVINCIAL AND TERRITORIAL GOVERNMENTS

This group records loans to provinces made under relief acts and other legislation.

Table 6.12 presents a summary of the balances and transactions for the various types of loans and advances that have been made to provincial and territorial governments.

TABLE 6.12PROVINCIAL AND TERRITORIAL GOVERNMENTS

| Y. E. | | | | | Net increase or decrease (-) | | |
|--|--------------------------|------------------------|---------------|--------------------------|------------------------------|------------------------|--|
| | | Receipts and | Payments and | | 1000 | 4000 | |
| | April 1/1989 | other credits | other charges | March 31/1990 | 1990 | 1989 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| EWFOUNDLAND— Atlantic Canada Opportunities Agency— | | | | | | | |
| Special areas and highways agreement | 27,529,006 | 2,726,408 | | 24,802,598 | -2,726,408 | -2,516,39 | |
| Federal-provincial employment loans | 3,661,214 | | | 3,661,214 | | | |
| Federal-provincial fiscal arrange- ments | 3,839,751 | 3,839,751 | 71,232,000 | 71,232,000 | 67,392,249 | 3,839,75 | |
| Board | 4,609,659 | 227,076 | | 4,382,583 | -227,076 | -229,70 | |
| program | 6,700,000 | 22.404 | | 6,700,000 | 22.404 | | |
| fund | 6,944,973 25,755,597 | 32,191 4,099,018 | 71,232,000 | 6,912,782 92,888,579 | -32,191 67,132,982 | -6,82 3,603,2 | |
| Atlantic Development Board carry-over projects | 884,496 | 44,734 | | 839,762 | -44,734 | -40,93 | |
| Atlantic Provinces Power Development Act | 71,123,898 72,008,394 | 2,375,598 2,420,332 | | 68,748,300 69,588,062 | -2,375,598 -2,420,332 | -2,219,90 -2,260,90 | |
| Total Newfoundland | 125,292,997 | 9,245,758 | 71,232,000 | 187,279,239 | 61,986,242 | -1,174,0 | |
| agreement | 17,250,574 | 1,817,195 | | 15,433,379 | -1,817,195 | -1,677,65 | |
| Agency— Special areas and highways | 17 250 574 | 1 817 195 | | 15 433 379 | –1 817 195 | -1 677 6° | |
| Regional electrical interconnections | 2,438,855 | 36,935 | | 2,401,920 | -36,935 | -33,4 | |
| Federal-provincial employment loans program | 1,021,803 | 219,432 | | 802,371 | -219,432 | -655,1 | |
| Federal-provincial fiscal arrangements | | | 57,724,000 | 57,724,000 | 57,724,000 | | |
| Municipal Development and Loan Board Special development loans | 1,048,680 | 96,581 | | 952,099 | -96,581 | -91,6 | |
| program | 4,300,000 | | | 4,300,000 | | | |
| fund | 3,388,503 9,758,986 | 368,524 684,537 | 57,724,000 | 3,019,979 66,798,449 | -368,524 57,039,463 | -338,1 -1,084,9 | |
| Industry, Science and Technology— Atlantic Development Board carry-over projects | 3,476,023 | 187,361 | | 3,288,662 | -187,361 | -174,1 | |
| Atlantic Provinces Power Development Act | 35,806,538 | 2,139,674 | | 33,666,864 | -2,139,674 | -2,011,8 | |
| Total Nava Sassia | 39,282,561 68,730,976 | 2,327,035 | 57,724,000 | 36,955,526 | -2,327,035 52,959,209 | -2,185,96 -4,982,0° | |
| Total Nova Scotia | 68,730,976 | 4,865,702 | 57,724,000 | 121,589,274 | 52,858,298 | -4,982,0 | |
| Agency— Comprehensive development plan agreement | 10,824,743 | 357,816 | | 10,466,927 | -357,816 | -203,9 | |
| Finance— Federal-provincial employment loans | 140.000 | 04.007 | | 117.072 | 04.007 | 10.5 | |
| programFederal-provincial fiscal arrange- | 142,060 | 24,087 | | 117,973 | -24,087 | -18,7 | |
| ments | | | 9,798,000 | 9,798,000 | 9,798,000 | -3,687,0 | |

TABLE 6.12
PROVINCIAL AND TERRITORIAL GOVERNMENTS—Continued

| | | Danaines and | Doumages 3 | | Net increase or | decrease (-) |
|--|---------------------------------|--------------------------------|----------------------------|---------------------------------|--------------------------|-------------------------------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Municipal Development and Loan Board | 631,374 | 39,719 | | 591,655 | -39,719 | -33,050 |
| Special development loans program | 122 426 | 62.511 | | | | |
| Winter capital projects | 133,426 | 62,511 | | 70,915 | -62,511 | |
| fund | 893,430 1,800,290 | 92,527 218,844 | 9,798,000 | 800,903 11,379,446 | -92,527 9,579,156 | -61,237 -3,800,014 |
| Industry, Science and Technology— Atlantic Development Board carry-over | 20,194 | 1,428 | 7,,70,000 | | | |
| projects | | | 0.700.000 | 18,766 | -1,428 | -1,328 |
| Total Prince Edward Island | 12,645,227 | 578,088 | 9,798,000 | 21,865,139 | 9,219,912 | -4,005,304 |
| NEW BRUNSWICK— Atlantic Canada Opportunities Agency— | | | | | | 12 |
| Special areas and highways agreement Energy, Mines and Resources— | 32,643,792 | 2,805,100 | | 29,838,692 | -2,805,100 | -2,597,461 |
| Regional electrical interconnections | 4,616,405 | 70,216 | | 4,546,189 | -70,216 | -64,211 |
| Federal-provincial employment loans program | 5,688,632 | 219,078 | | 5,469,554 | -219,078 | -201,901 |
| Federal-provincial fiscal arrange- ments | 8,841,342 | 8,841,342 | 31,853,830 | 31,853,830 | 23,012,488 | 8,841,342 |
| Municipal Development and Loan Board | 5,134,770 | 162,810 | | 4,971,960 | -162,810 | -117,553 |
| Special development loans program | 5,375,000 | | | 5,375,000 | | |
| Winter capital projects fund | 9,198,961 | 129,870 | | 9.069.091 | -129.870 | -99,756 |
| | 34,238,705 | 9,353,100 | 31,853,830 | 56,739,435 | 22,500,730 | 8,422,132 |
| Industry, Science and Technology— Atlantic Development Board carry-over projects | 720,028 | 44,424 | | 675,604 | -44,424 | -41,325 |
| Atlantic Provinces Power Development | | | | | | |
| Act | 35,850,243 <i>36,570,271</i> | 2,054,713 2,099, <i>137</i> | | 33,795,530 <i>34,471,134</i> | -2,054,713 -2,099,137 | -1,940,341 -1,981,666 |
| Total New Brunswick | 108,069,173 | 14,327,553 | 31,853,830 | 125,595,450 | 17,526,277 | 3,778,794 |
| QUEBEC— Finance— | | | | | | |
| Federal-provincial employment loans program | 61,300,779 | | | 61,300,779 | | |
| Board | 39,532,293 | 2,247,938 | | 37,284,355 | -2,247,938 | -2,134,088 |
| Special development loans program | 70,300,000 | | | 70,300,000 | | |
| Winter capital projects fund | 91,314,928 262,448,000 | 2,247,938 | | 91,314,928 260,200,062 | -2,247,938 | -2,134,088 |
| Industry, Science and Technology— Special areas and highways | 00 222 424 | 2 502 251 | | 00 541 002 | 2 702 251 | 2 572 025 |
| agreement | 92,333,434 | 2,792,351 5,040,289 | | 89,541,083 349,741,145 | -2,792,351 -5,040,289 | -2,573,825 -4,707,913 |
| Total Quebec | 334,701,434 | 3,040,209 | | 347,/41,143 | -3,040,209 | -, ,/07, 9 13 |
| ONTARIO— Finance— | | | | | | |
| Federal-provincial employment loans program | 6,755,398 | 1,023,109 | | 5,732,289 | -1,023,109 | -956,427 |
| Municipal Development and Loan Board | 8,822,708 | 1,103,992 | | 7,718,716 | -1,103,992 | -1,357,165 |
| Special development loans program | 908,758 | 206,169 | | 702,589 | -206,169 | -193,568 |
| Winter capital projects fund | 24,361,045 | 2,503,340 | | 21,857,705 | -2,503,340 | -2,298,089 |
| Total Ontario | 40,847,909 | 4,836,610 | | 36,011,299 | -4,836,610 | -4,805,249 |

TABLE 6.12
PROVINCIAL AND TERRITORIAL GOVERNMENTS—Continued

| | | | | | Net increase or | decrease (-) | |
|---|--------------------------------|----------------------------|-------------------------------|-------------------------|------------------------|------------------------|--|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| MANITOBA— | | | | | | | |
| Agriculture— | | 450.040 | | 1000 141 | 450.040 | | |
| Agricultural service centres Energy, Mines and Resources— Regional electrical interconnec- | 5,356,404 | 453,940 | | 4,902,464 | -453,940 | -415,509 | |
| tions | 101,506,350 | 2,018,217 | 20,685,000 | 120,173,133 | 18,666,783 | -1,848,998 | |
| Federal-provincial employment loans program | 2,423,778 | 543,519 | | 1,880,259 | -543,519 | -508,056 | |
| Board | 2,227,060 | 416,582 | | 1,810,478 | -416,582 | -395,163 | |
| Special development loans program | 2,395,388 | 543,439 | | 1,851,949 | -543,439 | -510,224 | |
| Winter capital projects fund | 1,987,445 9,033,671 | 157,324 1,660,864 | | 1,830,121 | -157,324 -1,660,864 | -145,312 -1,558,755 | |
| Western Economic Diversifi- | 9,033,071 | 1,000,804 | | 7,372,807 | -1,000,804 | -1,330,733 | |
| cation— Special areas and highways | | | | | | | |
| agreement | 2,256,853 | 234,622 | | 2,022,231 | -234,622 | -216,845 | |
| Total Manitoba | 118,153,278 | 4,367,643 | 20,685,000 | 134,470,635 | 16,317,357 | -4,040,107 | |
| SASKATCHEWAN- | | | | , | | | |
| Agriculture— Agricultural service centres Finance— | 4,988,597 | 358,485 | | 4,630,112 | -358,485 | -326,908 | |
| Federal-provincial employment loans | 506.920 | 89,164 | | 417,756 | -89,164 | -82,422 | |
| Municipal Development and Loan | 550,219 | 134,300 | | 415,919 | -134,300 | -127,431 | |
| Board | 1,057,139 | 223,464 | | 833,675 | -134,300 -223,464 | -209,853 | |
| Total Saskatchewan | 6,045,736 | 581,949 | | 5,463,787 | -581,949 | -536,761 | |
| ALBERTA— Finance— | | | | | | | |
| Federal-provincial employment loans program | 1,931,779 | 426,760 | | 1,505,019 | -426,760 | -419,157 | |
| Municipal Development and Loan | | | | | , | • | |
| Special development loans | 2,588,641 | 463,300 | | 2,125,341 | -463,300 | -441,054 | |
| program | 4,000,000 | | | 4,000,000 | | | |
| fund | 2,851,821 <i>11,372,241</i> | 409,904 1,299,964 | | 2,441,917 10,072,277 | -409,904 -1,299,964 | -402,836 -1,263,047 | |
| Western Economic Diversifi- | 11,572,241 | 1,277,704 | | 10,072,277 | -1,299,904 | -1,203,047 | |
| cation— Special areas and highways | | | | | | | |
| agreement | 2,021,415 | 218,222 | | 1,803,193 | -218,222 | -202,120 | |
| Total Alberta | 13,393,656 | 1,518,186 | | 11,875,470 | -1,518,186 | -1,465,167 | |
| BRITISH COLUMBIA— Finance— | | | | | | | |
| Federal-provincial employment loans program Municipal Development and Loan | 6,408,994 | 1,106,403 | | 5,302,591 | -1,106,403 | -1,052,394 | |
| Municipal Development and Loan Board | 3,458,159 | 681,473 | | 2,776,686 | -681,473 | -651,984 | |
| Special development loans program | 8,301,226 | 1,885,653 | | 6,415,573 | -1,885,653 | -1,771,159 | |
| Winter capital projects fund | 10,658,500 | 1,278,147 | | 9,380,353 | -1,278,147 | -1,090,722 | |
| Total British Columbia | 28,826,879 | 4,951,676 | | 23,875,203 | -4,951,676 | -4,566,259 | |

| | | | | | Net increase or | decrease (-) |
|---|---------------------------|----------------------------|----------------------------|---------------------------|-----------------|--------------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| NORTHWEST TERRITORIES— Finance— | | | | | | 7 1 170, |
| Federal-provincial employment loans program | 12,249 | 2,253 | | 9,996 | -2,253 | ·/ -1,992 |
| fund | 174,964 <i>187,213</i> | 2,253 | | 174,964 <i>184,960</i> | -2,253 | -39,592 -41,584 |
| Indian Affairs and Northern Development— Government of the Northwest Territories | 235,305 | 40,767 | | 194,538 | -40,767 | -37,549 |
| Total Northwest Territories | 422,518 | 43,020 | | 379,498 | -43,020 | -79,133 |
| YUKON TERRITORY— Indian Affairs and Northern Development— | | | | , | 7 | 5 - 5- 5 |
| Government of the Yukon Territory Yukon Territory small business | 5,742,689 | 742,329 | | 5,000,360 | -742,329 | -671,318 |
| loans | 313,412 | 220,863 | | 92,549 | -220,863 | 44 |
| Total Yukon Territory | 6,056,101 | 963,192 | | 5,092,909 | -963,192 | -671,274 |
| Total | 883,265,884 | 51,319.666 | 191,292,830 | 1,023,239,048 | 139,973,164 | -27,254,529 |

Special areas and highways agreement

Loans have been made to finance the development of community and industrial infrastructure projects for special areas, and for highway development, pursuant to terms and conditions of agreements between Canada and the provinces, with the approval of the Governor in Council.

The loans bear interest at rates from 5.768% to 10.164% per annum, and are repayable in equal annual instalments over the next 20 years, with final instalments between April 1, 1990 and March 31, 2009.

Federal-provincial employment loans program

Loans have been made, to provinces, provincial agencies and municipalities, to assist in the creation of employment.

The loans bear interest at rates from 6.51% to 7.44% per annum, and are repayable either in annual instalments over 10 to 20 years, or at maturity, with final repayments between October 30, 1993 and November 30, 1994.

Federal-provincial fiscal arrangements

These amounts represent overpayments in respect of provincial equalization entitlements under the Constitution Acts 1867 to 1982, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, and other statutory authority. These overpayments are non-interest bearing and are recovered in the subsequent year.

Municipal Development and Loan Board

Loans have been made, to provinces and municipalities, to augment or accelerate municipal capital works programs.

The loans bear interest at rates from 5.25% to 5.625% per annum, and are repayable in annual or semi-annual instalments over 15 to 50 years, with final instalments between May 1, 1990 and March 31, 2016.

Special development loans program

Loans have been made, to provinces, provincial agencies and municipalities, to assist in the creation of employment.

. 1 57

4 7 3 /

The loans bear interest at rates from 6.12% to 7.54% per annum, and are repayable either in annual or semi-annual instalments over 10 to 20 years, or at maturity, with final repayments between March 1, 1991 and March 30, 1993.

Winter capital projects fund

Loans have been made, to provinces, provincial agencies and municipalities, to assist in the creation of employment.

The loans bear interest at rates from 7.2% to 9.84% per annum, and are repayable either in annual instalments over 5 to 20 years, or at maturity, with final repayments between April 1, 1990 and February 28, 1999.

Atlantic Development Board carry-over projects

Loans have been made to finance certain water projects that were carried over from the Atlantic Development Board. Loans were made pursuant to terms and conditions of agreements between Canada and the provinces in the Atlantic region, with the approval of the Governor in Council.

The loans bear interest at rates from 7.5% to 8.5% per annum, and are repayable over 11 to 18 years at various anniversary amortization dates, with final instalments between July 31, 1999 and April 1, 2006.

Atlantic Provinces Power Development Act

Loans have been made to the Atlantic provinces, to assist in the generation of electrical energy by steam driven generators in the provinces, and in the control and transmission of electric energy.

The loans bear interest at rates from 4.5% to 8.5% per annum, and are repayable in equal annual instalments over 3 to 25 years, with final instalments between March 31, 1992 and March 31, 2014.

Regional electrical interconnections

Loans have been made to assist in financing regional electrical interconnections, under agreements between the Government of Canada and the Provinces of Manitoba, New Brunswick and Nova Scotia.

During the year, additional loans were authorized by Energy, Mines and Resources Vote L20, Appropriation Acts No 1 and No 3, 1989-90.

The loans bear interest at rates from 9% to 10% per annum, and are repayable in annual instalments over 29 to 31 years, with final instalments between March 31, 2008 and March 31, 2011.

Comprehensive development plan agreement

Loans have been made to the Province of Prince Edward Island, to assist in financing the realization of a comprehensive and co-ordinated development plan of the province, pursuant to an agreement with the province, whose territory has been designated a "special rural development area".

The loans bear interest at rates from 6.688% to 9.375% per annum, and are repayable in equal instalments due at various anniversary dates.

Agricultural service centres

Loans have been made to provincial and municipal authorities, to assist in the construction or expansion of water supply and waste disposal facilities in key agriculture service centres, which are essential to rural adjustment and urban development in the agricultural portion of the Prairie region.

The loans bear interest at rates from 6.747% to 14.129% per annum, and are repayable in equal annual instalments over 20 years, with final instalments between March 31, 1992 and March 31, 2004.

Government of the Northwest Territories

Loans have been made to the Government of the Northwest Territories, for the following purposes:

| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 |
|-------------------------------------|--------------------|----------------------------------|----------------------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Second mortgage Low cost housing | 106,555 128,750 | 13,018 27,749 | | 93,537 101,001 |
| | 235,305 | 40,767 | | 194,538 |

The loans bear interest at rates from 5.375% to 8.875% per annum, and are repayable in equal annual instalments over 20 to 25 years, with final instalments between April 1, 1990 and August 27, 1996.

Government of the Yukon Territory

Loans have been made to the Government of the Yukon Territory, for the following purposes:

| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 |
|--|--------------------|----------------------------------|----------------------------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Second mortgage | 70,855 | 13,726 | | 57,129 |
| Low cost housing Capital expenditures Outside parties— | 283,011 728,707 | 46,934 58,935 | | 236,077 669,772 |
| Capital projects | 4,660,116 | 622,734 | | 4,037,382 |
| | 5,742,689 | 742,329 | | 5,000,360 |

The loans bear interest at rates from 5.375% to 12.5% per annum, and are repayable in equal annual instalments over 10 to 35 years, with final instalments between April 1, 1990 and November 24, 2003.

Yukon Territory small business loans

Loans have been made for the establishment or expansion of small businesses in the Yukon Territory.

The total amount authorized to be outstanding at any time is \$5,000,000.

The loans bear interest at rates from 9% to 12% per annum, and were repayable in annual instalments over 10 years, with the final instalment on April 1, 1988. As of March 31, 1990, the loans have not been reimbursed in full.

During the year, loans totalling \$220,863 were written-off by Indian Affairs and Northern Development Vote 31b, Appropriation Act No 4, 1989-90.

NATIONAL GOVERNMENTS INCLUDING DEVELOPING COUNTRIES

Loans to national governments consist mainly of the loan to the Government of the United Kingdom under the United Kingdom Financial Agreement Act, international development assistance to developing countries, and loans for development of export trade (administered by the Export Development Corporation). Table 6.13 presents a summary of the balances and transactions for the loans and advances that were made to national governments including developing countries.

TABLE 6.13
NATIONAL GOVERNMENTS INCLUDING DEVELOPING COUNTRIES

| | | | | | Net increase o | r decrease (-) |
|---|---------------------------|----------------------------|----------------------------|---------------------------|---------------------------|----------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| China—Finance | 49,426,118 | | | 49,426,118 | | |
| Jamaica— Finance— | | | | + | | - |
| Economic assistance | 10,000,000 15,000,000 | 10,000,000 | 10,000,000 | 25,000,000 | -10,000,000 10,000,000 | ,/1100 |
| | 25,000,000 | 10,000,000 | 10,000,000 | 25,000,000 | | |
| United Kingdom— Finance— | | | | | | cos gano |
| The United Kingdom Financial Agreement Act, 1946 | 398,815,387 94,990,863 | 29,733,948 | | 369,081,439 94,990,863 | -29,733,948 | -29,150,928 |
| Deterior principal | 493,806,250 | 29,733,948 | | 464,072,302 | -29,733,948 | -29,150,928 |
| Developing countries— External Affairs—Canadian International Development Agency— | | | | | | - |
| International development assistance | 3,048,644,965 | 703,590,066 | 23,834,780 | 2,368,889,679 | -679,755,286 | -114,782,783 |
| Development of export trade (loans administered by the Export Development Corporation)— External Affairs | 573,741,029 | 149,944,392 | 163,920,080 | 587,716,717 | 13,975,688 | 11,608,302 |
| National Defence— North Atlantic Treaty Organization— | 5.5,,625 | 117,711,072 | 105,720,000 | 307,110,117 | 15,775,000 | 11,000,302 |
| Damage claims recoverable | 71,253 | 74,061 | 176,747 | 173,939 | 102,686 | -58,061 |
| Total | 4,190,689,615 | 893,342,467 | 197,931,607 | 3,495,278,755 | -695,410,860 | -132,383,470 |

China

A loan to China was authorized under the Export Credits Insurance Act.

Jamaica

Economic assistance

A loan has been made to the Government of Jamaica, to provide economic assistance. The maturity date under the April 20, 1985 loan agreement was August 9, 1989. The applicable interest rate for payments due between August 9, 1985 and August 9, 1989 was 13.375% per annum.

During the year, additional loan repayments have been deferred.

Deferred principal

The loan agreement has been amended by the following Rescheduling Agreements:

(a) the Rescheduling Agreement dated October 18, 1985, provided for the deferment of principal repayments in the amount of \$5,000,000 due on August 9, 1985;

- (b) the Rescheduling Agreement dated June 4, 1987, provided for the deferment of principal repayments totalling \$10,000,000 due on August 9, 1986 and August 9, 1987; and,
- (c) the Rescheduling Agreement dated July 25, 1989, provided for the deferment of principal repayments totalling \$10,000,000 due on August 9, 1988 and August 9, 1989. The repayment of the deferred principal started on June 30, 1989 and will continue until February 28, 1999.

United Kingdom

The United Kingdom Financial Agreement Act, 1946

Under authority of the United Kingdom Financial Agreement Act, a credit of \$1,250,000,000 was extended to the Government of the United Kingdom to facilitate purchases by the United Kingdom of goods and services in Canada and to assist the United Kingdom in meeting transitional post-war deficits in its current balance of payments, in maintaining adequate reserves of gold and dollars, and in assuming the obligations of

multilateral trade. The amount of the credit drawn by December 31, 1951 was to be repaid in 50 annual instalments beginning on that date, with interest at the rate of 2% per annum, with the final instalment on December 31, 2000.

Deferred principal

The agreement, as amended in 1957, provides for the deferment of interest in respect of the year 1956 and of seven instalments of principal and interest after December 31, 1956, under certain conditions. Interest for 1956, and interest and principal for 1957, 1964, 1965, 1968 and 1976 were deferred. The maturity of the deferrals is to commence December 31, 2001, and continue until December 31, 2006.

Developing countries—International development assistance

Loan assistance has been made to developing countries for international development assistance. Since April 1, 1986, loans under negotiated loan agreements in existence at March 31, 1986 were made under various budgetary authorities (including

External Affairs Votes 30, 30b and 30c, Appropriation Acts No 1, No 3, No 4 and No 5, 1989-90). Previous to this date, all loans to developing countries were paid under non-budgetary authority.

During the year, loans totalling \$647,764,022 were forgiven pursuant to the Forgiveness of Debts (sub-Saharan Africa) Act.

The following table presents the balances and transactions for the loans made to developing countries, together with their terms and conditions of repayments. The closing balance of loans to individual countries includes, where applicable, total payments made under both budgetary and non-budgetary authorities. The total budgetary payments to all countries are deducted as a lump sum amount under the caption "Payments made under budgetary authority" at the end of the table to arrive at the amount reported in Table 6.13 as international development assistance to developing countries.

| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 |
|--|--------------|----------------------------------|----------------------------------|---------------|
| | \$ | \$ | \$ | \$ |
| t) 17 year term, 7 year grace period, non-interest bearing, with the final repayment in September 2002: Senegal [1] | 999,070 | 999,070 | | |
| 20 year term, 5 year grace period, 5% interest per annum, with final repayments between September 2000 and March 2001; | | | | |
| Jamaica | 4,499,073 | | | 4,499,073 |
| Turkey | 22,011,212 | 1,031,957 | | 20,979,255 |
| | 26,510,285 | 1,031,957 | | 25,478,328 |
| e) 25 year term, 5 year grace period, 6% interest per annum, with the final repayment in March 1995: | | | | |
| Nigeria [1] | 623,789 | 623,789 | | |
| 30 year term, 7 year grace period, 3% interest per annum, with final repayments between September 1996 and January 2012: | | | | |
| Barbados | 16,025,442 | 484,918 | | 15,540,524 |
| Brazil | 11,445,636 | 552,296 | | 10,893,340 |
| Chile | 1.737.265 | 182,869 | | 1,554,396 |
| Colombia | 16,529,728 | 1,000,000 | | 15,529,728 |
| Cuba | 9,547,012 | 1,000,000 | | 9,547,012 |
| Dominican Republic | 2,200,001 | | | 2,200,001 |
| Egypt | 47,826,088 | | | 47.826,088 |
| Jamaica | 32.665.520 | | | 32.665,520 |
| Korea | 369,285 | 43,446 | | |
| | | | | 325,839 |
| Malaysia | 9,506,845 | 714,426 | | 8,792,419 |
| Nigeria [1] | 621,679 | 621,679 | | 22 |
| Peru | 337,617 | | | 337,617 |
| Salvador, El | 8,253,948 | 402,631 | | 7,851,317 |
| Trinidad | 4,548,731 | 301,205 | | 4,247,526 |
| Turkey | 6,693,478 | 279,347 | | 6,414,131 |
| | 168,308,275 | 4,582,817 | | 163,725,458 |
|) 35 year term, 5 year grace period, non-interest bearing, with final repayments between April 2001 and November 2005: | | | | |
| Salvador, El | 2,444,934 | 85,960 | | 2,358,974 |
|) 40 year term, 10 year grace period, non-interest bearing, with the final repayment in March 2007: | | | | |
| Thailand | 611,654 | 50,000 | | 561,654 |

| | | | 0 | 0.00 |
|---|-------------------------------------|----------------------------------|-----------------------|-----------------------------|
| | 1 | Receipts and other | Payments and other | 12.1 |
| | April 1/1989 | credits | charges | March 31/1990 |
| | \$ | \$ | \$ | \$ - |
| g) 50 year term, 10 year grace period, non-interest bearing, with final repayments between March 2015 and September 2035; | | | | · wall |
| Algeria | 14,983,402 | 211,428 | | 14,771,974 |
| Antigua | 5,324,977 | 224,976 | | 5,100,001 |
| Argentina | 532,000 | 18,667 | | 513,333 |
| Barbados | 7,948,529 | 30,750 | | 7,917,779 |
| Belize | 11,085,640 | 304,524 | | 10,781,116 |
| Bolivia | 1,399,037 | 42,395 | | 1,356,642 |
| Brazil | 637,879 8,306,202 | 20,913 | | 616,966 |
| Burma Cameroun ^[i] | 143,284,651 | 143,284,651 | | 8,306,202 |
| Chile | 2,862,418 | 98,062 | | 2,764,356 |
| | 18,089,433 | 564,649 | | 17,524,784 |
| Colombia | 22,598,238 | 22,598,238 | | 17,524,764 |
| Costa Rica | 23,118,847 | ,5>0,250 | | 23,118,847 |
| Dominica | 1,703,712 | 65,799 | | 1,637,913 |
| Dominican Republic | 8,253,303 | 182,848 | | 8,070,455 |
| Ecuador | 9,988,645 | 304,914 | | 9,683,731 |
| Egypt | 57,599,945 | • | | 57,599,945 |
| Egypt (ii) Gabon (iii) | 7,614,186 | 7,614,186 | | |
| Ghana ^{1} | 77,579,081 | 77,579,081 | | |
| Grenada | 765,020 | 21,270 | | 743,750 |
| Guatemala | 3,843,873 | 56,250 | | 3,787,623 |
| Guyana | 37,205,028 | | | 37,205,028 |
| Honduras | 33,015,261 | | | 33,015,261 |
| India | 686,552,489 | 6,139,439 | | 680,413,050 |
| Indonesia | 271,882,315 | 3,887,748 | | 267,994,567 |
| | 79,959,686 | 79,959,686 | | |
| Jamaica | 56,213,535 | | | 56,213,535 |
| Kenya''' | 108,794,891 | 108,794,891 | | |
| Madagascar ^[1] Malayeia | 22,958,010 | 22,958,010 | | 2 402 470 |
| ividiaysia | 2,413,377 | 9,907 | | 2,403,470 |
| Malta | 887,490 | 25,000 | | 862,490 |
| Mexico | 78,984 640,689 | 2,772 17,232 | | 76,212 |
| Morocco | 14,720,667 | 29,468 | | 623,457 14,691,199 |
| Nicaragua | 18,357,040 | 29,408 | | 18,357,040 |
| Nigeria [1] | 41,124,218 | 41,124,218 | | 18,557,040 |
| Pakistan | 584,466,701 | 7,199,391 | | 577,267,310 |
| Paraguay | 559,892 | 19,996 | | 539,896 |
| Peru | 22,531,736 | 1,864 | | 22,529,872 |
| Philippines | 3,837,789 | 1,00 | | 3,837,789 |
| Salvador, El | 1,185,000 | 14,990 | | 1,170,010 |
| St Lucia | 466,520 | 13,871 | | 452,649 |
| St Vincent | 996,312 | 14,312 | | 982,000 |
| Senegal ^{1} | 14,093,784 | 14,093,784 | | |
| Sri Lanka Swaziland († † | 163,522,270 | 2,965,399 | | 160,556,871 |
| Swaziland ⁽¹⁾ | 1,369,960 | 1,369,960 | | |
| Thailand | 33,397,833 | 522,093 | | 32,875,740 |
| Trinidad | 3,090,301 | 114,236 | | 2,976,065 |
| Tunisia Various francophone countries [1][2] Zaire [1] | 117,000,850 | 3,112,047 | | 113,888,803 |
| Various francophone countries (1712) | 1,677,258 | 1,677,258 | | |
| Zaire | 31,298,397 | 31,298,397 | | |
| Zambia 111 | 86,188,539 | 86,188,539 | | |
| Zimbabwe ⁽¹⁾ | 30,813,364 2.898,8 <i>19,204</i> | 30,813,364 <i>695,591,473</i> | | 2,203,227,731 |
| 53 year term, 13 year grace period, non-interest bearing, | _,0>0,01>,201 | 0,0,0,1,1,0 | | 2,200,227,704 |
| with the final repayment in September 2025: | | | | 9 10 10 10 |
| Algeria | 42,958,105 | 625,000 | | 42,333,105 |
|) 55 year term, 15 year grace period, non-interest bearing, with the final repayment in September 2036: | | | | |
| Egypt | 9,243,531 | | | 9,243,531 |
| ossi poi monto modo undos hudosto—tht | 3,150,518,847 101,873,882 | 703,590,066 | 23,834,780 | 2,446,928,781 |
| ess: payments made under budgetary authority | 3,048,644,965 | 703,590,066 | 23,834,780 | 78,039,102 2,368,889,679 |
| | 210 1010 171202 | , 05,570,000 | 20,007,700 | =,000,000,010 |

Note: Grace period refers to interval from date of issuance of the loan to first repayment of loan principal.

[1] The forgiveness of Debts (sub-Saharan Africa) Act authorized the forgiveness of official development assistance debts of this country.

[2] Joint project involving Mali and Senegal.

Similar assistance has been provided to developing countries by way of subscriptions to the capital of the International Development Association and loans to other international financial institutions. These are reported later in this section under the heading "International organizations".

Development of export trade

Pursuant to Section 31 of the Export Development Act, the Governor in Council may authorize the Corporation to make loans to foreign customers where the liability is for a term, or in an amount in excess of that normally assumed by the Corporation. Such loans are financed directly by payments out of the Consolidated Revenue Fund and are administered by the Corporation on behalf of the Government of Canada.

Since April 1, 1987, certain loans for the development of export trade are made under budgetary authority.

The following table presents the balances and transactions for the loans made to national governments, together with their terms and conditions of repayments. The closing balance of loans to national governments includes, where applicable, total payments made under both budgetary and non-budgetary authorities. The total budgetary payments are deducted as a lump sum amount under the caption "Payments made under budgetary authority" at the end of the table to arrive at the amount reported in Table 6.13.

| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/199 |
|---|-------------------------|----------------------------------|----------------------------------|--------------------------|
| | \$ | \$ | \$ | \$ |
| 11.5 | | | | |
|) 1 to 5 year term, 8.75% to 10% (libor) interest per annum, with final repayment in December 1997: | | | | |
| Poland | 69,505,334 | 1,800,453 1,554,485 | 2.590,809 | 67,704,881 1,036,324 |
| 1014 | 69,505,334 | 3,354,938 | 2,590,809 | 68,741,205 |
| 6 to 10 year term, 7% to 14.5% (set prime) | | | | |
| interest per annum, with final repayment in February 2000: | | | | |
| Argentina | 129,450,000 | | | 129,450,000 |
| Brazil | 10.925,734 | 186,879 | 2,719,307 | 13,458,162 |
| Chile | 3,810,327 | 466.842 | 2,719,307 | 3,343,485 |
| Ecuador | 9,304,705 | 242,357 | 4,778,000 | 13,840,348 |
| | | | 4,778,000 | |
| Ethiopia | 12,000,631 | 3,178,187 | | 8,822,444 |
| Ghana | 6,407,139 | 1,666,329 | | 4,740,810 |
| Kenya | 178,500 | 3,443 | | 175,057 |
| Tanzania | 33,200,744 | 640,350 | | 32,560,394 |
| Turkey | 49,663,104 | 16,169,608 | 1,704,631 | 35,198,127 |
| Zambia | 8,681,277 | | | 8,681,277 |
| | 263,622,161 | 22,553,995 | 9,201,938 | 250,270,104 |
|) 11 to 15 year term, 0% to 11% interest per annum, with final repayment in June 2012: | | | | |
| Korea | 140,086,379 | 16,666,667 | | 123,419,712 |
| Madagascar | 19.258,875 | 371.450 | | 18,887,425 |
| Sudan | 7,751,250 | 149,500 | | 7,601,750 |
| Thailand | 23,601,985 | 194,693 | 12,564,595 | 35,971,887 |
| Turkey | 263 | 174,075 | 12,504,575 | 258 |
| Turkey | 190,698,752 | 17,382,315 | 12,564,595 | 185,881,032 |
|) 16 to 20 year term, 0% interest per annum with final repayment in August 2014. | | | | |
| Indonesia | | 34,328 | 5,737,608 | 5,703,280 |
|) 21 to 25 year term, 3% to 12.5% (libor) interest per annum, | | | | |
| with final repayment in April 2018: Algeria | 2,086,278 | | 5,577,539 | 7,663,817 |
| Congo | 3,418,183 | 65,928 | 0,077,000 | 3,352,255 |
| Mexico | 33,454,438 | 645,242 | | 32,809,196 |
| MEARCO | 38,958,899 | 711,170 | 5,577,539 | 43,825,268 |
| 31 to 40 year term, 0% to 11.75% interest per annum, with final repayment in February 2044: | | | | |
| Cameroon | 8.259.007 | 1.120.502 | 6.737.645 | 13.876.150 |
| China | 8.023.867 | 547,556 | 18,423,681 | 25,899,992 |
| Egypt | 6,453,409 | 44,247 | 10,192,086 | 16,601,248 |
| | 6,072,517 | 274.637 | 12,863,653 | 18,661,533 |
| India | 19.838.954 | 2.012.814 | 15,374,411 | |
| Jamaica | | | | 33,200,551 |
| Morocco | 28,900,194 | 692,477 | 63,115,161 | 91,322,878 |
| Pakistan | 4,123,642 81,671,590 | 90,295 4,782,528 | 1,540,954 128,247,591 | 5,574,301 205,136,653 |
| | 644,456,736 | 48,819,274 | 163,920,080 | 759,557,542 |
| ess: payments made under budgetary authority | 70,715,707 | 101,125,118 | 100,720,000 | 171,840,825 |
| . , | | | 162 000 000 | |
| | 573,741,029 | 149,944,392 | 163,920,080 | 587,716,717 |

During the year, receipts and other credits included loan repayments of \$40,559,619, a valuation adjustment of \$8,259,655 in respect of loans totalling \$381,258,614 US and \$11,453,221 ECU (European Currency Unit), while payments and other charges included loans and guarantees of \$163,920,080. Interest of \$34.4 million was received and credited to non-tax revenue.

North Atlantic Treaty Organization—Damage claims recoverable

Article VIII of the NATO Status of Forces Agreement signed April 4, 1949, as amended, deals with claims for damages to third parties arising from accidents in which a member of a visiting force is involved. This account is charged with the amount recoverable from other states, for claims for damages which took place in Canada, and is credited with recoveries.

The advances are non-interest bearing and have no specific repayment terms.

INTERNATIONAL ORGANIZATIONS

This group records Canada's subscriptions to the capital of the African Development Bank, the Asian Development Bank, the Caribbean Development Bank, the Inter-American Development Bank, the International Bank for Reconstruction and Development (i.e. World Bank), the International Development Association and the International Finance Corporation. It also includes loans and advances to other international organizations.

Capital subscriptions are made in part by the issuance of non-interest bearing, non-negotiable demand notes. The amounts advanced or loaned vary according to the needs of the organizations concerned, and the terms of the agreements.

The net position of the Government vis-à-vis the international organizations has been obtained by deducting from subscriptions, loans and advances, the non-interest bearing notes issued by Canada to these organizations. These notes, payable on demand, represent that portion of the investment by Canada in these organizations which has not yet been encashed by them. These notes are encashed subject to the financial requirements of these organizations.

Since April 1, 1986, note encashments, and cash subscriptions/loans to international financial institutions are now made under budgetary authority. However, subscriptions/loans made by the issuance of non-interest bearing notes continue to be under non-budgetary authority.

Table 6.14 presents a summary of the balances and transactions for the subscriptions, loans and advances to international organizations. The closing balance of loans/subscriptions to international financial institutions includes, where applicable, total loans/subscriptions made under both budgetary and nonbudgetary authorities. The total budgetary payments to all international financial institutions are deducted as a lump sum amount under the caption "Payments made under budgetary authority" at the end of the table to arrive at the total amount reported in Table 6.1 as International organizations (net). In addition, Table 6.15 presents additional disclosure of information related to subscriptions to the capital of international development institutions, as well as future commitments and contingent liabilities related to international development assistance as disclosed in Note 10 to the audited financial statements of the Government of Canada in Section 2 of this volume.

TABLE 6.14
INTERNATIONAL ORGANIZATIONS

| | | | | | Net increase or | decrease (-) |
|---|---------------|----------------------------|----------------------------|-------------------|-----------------|--------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| | | | | | | =) |
| Canada's subscriptions to the capital of the— | | | | | | |
| African Development Bank | 70,634,447 | 387,601 | 6,080,004 | 76,326,850 | 5,692,403 | 5,827,178 |
| Less: notes payable | 100,827 | 6,080,004 | 5,984,751 | 196,080 | 95,253 | 10,640 |
| | 70,533,620 | 6,467,605 | 12,064,755 | 76.130.770 | 5.597.150 | 5,816,538 |
| Asian Development Bank | 162,266,184 | 2,904,693 | | 159,361,491 | -2,904,693 | -8,537,363 |
| Less: notes payable | 15,081,505 | | 3,770,376 | 11.311.129 | -3,770,376 | -3,770,376 |
| • • | 147.184.679 | 2.904.693 | 3,770,376 | 148,050,362 | 865,683 | -4,766,987 |
| Caribbean Development Bank | 12,593,295 | 219,887 | | 12,373,408 | -219,887 | -405,357 |
| Less: notes payable | 835,108 | | 357,788 | 477.320 | -357,788 | -1.068,312 |
| • • | 11.758.187 | 219,887 | 357,788 | 11.896.088 | 137,901 | 662.955 |
| Inter-American Development Bank | 143,753,578 | 2,795,705 | 2,596,000 | 143,553,873 | -199,705 | -5,111,238 |
| Less: notes payable | 18,644,206 | 2,596,000 | 7,005,152 | 14,235,054 | -4,409,152 | -11,481,741 |
| | 125.109.372 | 5.391.705 | 9,601,152 | 129.318.819 | 4,209,447 | 6,370,503 |
| International Bank for Reconstruction and | | | .,, | | | |
| Development (World Bank) | 296,595,562 | 3,463,694 | 19,583,886 | 312,715,754 | 16,120,192 | 5,517,928 |
| Less: notes payable | 16,115,858 | | 16,115,858 | | -16,115,858 | -,, |
| | 280,479,704 | 3.463.694 | 35,699,744 | 312,715,754 | 32,236,050 | 5.517.928 |
| International Development Association | 3,054,688,061 | | 200,560,000 | 3,255,248,061 [1] | 200,560,000 | 232,400,000 |
| Less: notes payable | 896,152,700 | 200,560,000 | 336,000,000 | 760,712,700 | -135,440,000 | -53,914,000 |
| | 2,158,535,361 | 200,560,000 | 536,560,000 | 2,494,535,361 | 336,000,000 | 286.314.000 |

TABLE 6.14
INTERNATIONAL ORGANIZATIONS—Concluded

| | | | | | Net increase or | decrease (-) |
|--|---|---|---|--|---|--|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| _ | \$ | \$ | \$ | \$ | \$ | \$ |
| International Finance Corporation Multilateral Investment Guarantee | 48,996,247 | 973,640 | 5,746,325 | 53,768,932 | 4,772,685 | 4,438,585 |
| Agency | 7,651,390 3,863,230 | 147,574 | 111,322 | 7,503,816 3,751,908 | -147,574 -111,322 | 7,651,390 3,863,230 |
| | 3,788,160 2,846,385,330 | 147,574 220.128.798 | 111,322 603,911,462 | 3,751,908 3,230,167,994 | -36,252 383,782,664 | 3,788,160 308,141,682 |
| International financial institutions | 1,916,308,788 955,733,860 960,574,928 | 7,010,739 243,944,283 250,955,022 | 246,353,870 108,464,066 354,817,936 | 2,155,651,919 ^{1} 1,091,214,077 1,064,437,842 | 239,343,131 135,480,217 103,862,914 | 236,511,585 99,539,816 136,971,769 |
| Common Fund for Commodities | 4,484,953 | 192,339 | 1,604,954 | 1,604,954 4,292,614 | 1,604,954 -192,339 | -15,047 |
| International Natural Rubber Agree- | 1,101,500 | 1,2,00, | | 1,272,011 | .,,,,,,, | 15,617 |
| ment | 7,514,407 | 7,514,407 | | | -7,514,407 | -1,704,010 |
| International Monetary Fund— Enhanced Structural Adjustment Facility | 13,981,949 | | 34,312,354 | 48,294,303 | 34,312,354 | 13,981,949 |
| International organizations and associations— Berne Union of the World Intellectual Prop- | | | | | | |
| erty Organization | 15,676 | | | 15,676 | | |
| Customs Co-operation Council Food and Agriculture Organiza- | 6,309 | | | 6,309 | | |
| tion | 854,605 | | | 854,605 | | 241,183 |
| Trade | 14,508 | | | 14,508 | | |
| Organization | 1,617 | | | 1,617 | | |
| International Atomic Energy Agency | 65,656 | | | 65,656 | | |
| International Civil Aviation Organization | 71,419 68,666 | | | 71,419 68,666 | | |
| International Labour Organization Paris Union of the World Intellectual Property Organization | 58,927 | | | 58,927 | | |
| United Nations Educational, Scientific and | | | | | | |
| Cultural Organization | 683,459 | | | 683,459 | | |
| Organization | 362,976 | | | 362,976 | | |
| United Nations organizations | 3,546,774 | | 35,440 | 3,582,214 | 35,440 | |
| World Health Organization | 163,3 5 7 5,913,949 | | 35,440 | 163,357 5,949,389 | 35,440 | 241,183 |
| Total | 3,838,855,516 | 478,790,566 | 994,682,146 | 4,354,747,096 | 515,891,580 | 457,617,526 |
| Less: payments made under budgetary authority | 1,124,799,774 | 446,873,653 | 579,475 | 1,571,093,952 | 446,294,178 | 434,067,096 |
| | 2,714,055,742 | 925,664,219 | 995,261,621 | 2,783,653,144 | 69,597,402 | 23,550,430 |
| Summary— | | | | | | |
| International organizationsLess: payments made under budgetary | 5,745,382,810 | 25,610,279 | 516,872,833 | 6,236,645,364 | 491,262,554 | 490,796,783 |
| authority | 1,124,799,774 | 446,873,653 | 579,475 | 1,571,093,952 | 446,294,178 | 434,067,096 |
| Less; notes payable | 4,620,583,036 1,906,527,294 | 472,483,932 453,180,287 | 517,452,308 477,809,313 | 4,665,551,412 1,881,898,268 | 44,968,376 -24,629,026 | 56,729,687 33,179,257 |
| Total | | 925,664,219 | 995,261,621 | 2,783,653,144 | 69,597,402 | 23,550,430 |

The subscriptions to the Association and the loans to the international financial institutions are used to lend funds to developing countries at rates favourable to the borrowers. In addition, as described earlier in this section, under the heading "National governments including developing countries", international development assistance has also been provided to developing countries.

TABLE 6.15

INTERNATIONAL DEVELOPMENT ASSISTANCE— SUBSCRIPTIONS, CONTINGENT LIABILITIES AND COMMITMENTS

| | Share subscriptions | | | Paid-in shares purchased | | | | | | |
|--|---------------------|------------------|------------------------|--------------------------|-------------------------------------|--|------------------------|--------------------------------|--|--|
| | | | | c | ost | | | | Parliamentary authority available for | |
| | Paid-in | - Callable | Number of shares | Foreign currencies | Canadian currency ⁽¹⁾ | Estimated value of callable shares ⁽²⁾ | Other commit- ments | Contin- gent liabilities | Number of shares | Estimated value |
| | | | | millions | \$millions | \$millions | \$millions | \$millions | 1 1 1 | a \$millions |
| African Development Bank | 4,200 2,100 | 12,600 31,500 | 4,200 1,260 | \$15US | 59 ⁽³⁾ 18 | 176 ⁽⁴⁾ 456 | | | 12,600 32,340 | 181 ⁽⁵⁾ 468 ⁽⁵⁾ |
| African Development Fund | - | | ,, | * | , , | | 88 | | 32,510 | 400 |
| Asian Development Bank | 8,740 2,370 | 36,403 45,030 | 8,740 2,370 | \$105US 24SDR | 123 36 | 514 685 | | | 36,403 | 514 ⁽⁵⁾ |
| Asian Development Fund | | | | | • | | 93 | | | P |
| Caribbean Development Bank | 1,585 | 5,355 | 1,585 | \$10US | 11 ^{6} | 34 | | | 5,355 | 38(5) |
| Caribbean Special Development Fund | | | | | | | 10 | | | - |
| Undisbursed loans to national governments including developing countries | | | | | | | F00 | | 9 | 45 |
| Inter-American Development Bank | 9,982 | 115,220 | 9,982 | \$121US | 144 | 2,948 | 533 | | 63,692 | 876 ⁽⁵⁾ |
| Development (World Bank) | | | (7) | (7) | 314 | 4,115(8) | 83 | 1.787 | {7} | 2,799(9) |
| International Development Association | {10} | {10} | 219,916 | {10} | 3,255 | ., | 869 | 1,707 | • | () (9) |
| International Finance Corporation | 45,976 | {11} | 46,226 ^[10] | \$46US | 56 | | | 2,016 ^{12} | - 11 W | |
| Multilateral Investment Guarantee Agency | | | 2,965 | \$6US | 8 | | | | - | 4(9) |

[1] Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 1990 (\$1US = \$1,1695 Cdn; 1SDR = \$1.521317 Cdn).

Commitments to the institutions will require future "Maintenance of value" payments.

According to the Articles of Agreement of the World Bank, countries are obliged to maintain the value of certain portions of their paid-in capital subscriptions and contributions. The World Bank has not had a workable standard of value since 1978 when the formal link between the US dollar and gold was broken. The World Bank agreed not to seek payment of these obligations pending the establishment of a new standard of value for the Bank. Maintenance of value obligations do not exist for International Development Association contributions. In October 1986, the Executive Board agreed upon the "1974 SDR" as a successor standard of value. The 1974 SDR is a fixed US dollar equivalent of the value of the SDR prevailing in 1974 (\$1.20635 US = 1 SDR). Maintenance of value payments resumed July 1, 1987. It is expected that other institutions will follow this lead.

^[3] Canadian currency equivalent of 42,000,000 units of account. One unit = \$1.20635 US = \$1.1556 Cdn as of May 1979.

^[4]Canadian currency equivalent of 126,000,000 units of account. One unit = \$1.20635 US = \$1.1556 Cdn as of May 1979.

151 These amounts are reflected as non-lapsing non-budgetary authorities in the External Affairs ministerial section of Volume II, Part I (Section 9).

^[6] This amount excludes a maintenance of value payment of \$1,192,625.

⁽⁷⁾Canada's subscription is for 31,543 shares. Payments are accounted for as a proportion of each share.

Total subscription valued at \$3,805,190,000 US. Callable value translated at \$1 US = \$1.1695 Cdn, representing approximately 91% of the total subscription.

191 Subscription and payment authorities are annual budgetary voted items presented in the Finance ministerial section of Volume II, Part 1 (Section 10).

There are no outstanding subscriptions other than the notes payable in Table 6.14. Accounting is based on dollar values rather than number of shares.

This represents a commitment by Canada to the capital of the Corporation to be paid by 1990, rather than a "callable" amount.

1121 Canada has agreed to lend the Enhanced Structural Adjustment Facility SDR 300 million and to subsidize the interest rate on the loan through a grant of approximately SDR 165 million, of which SDR 32.45 million has been paid-in. In addition, lines of credit of SDR 892.5 million have been made available to the IMF.

African Development Bank

This account records Canada's subscriptions to the capital of the African Development Bank, as authorized by the International Development (Financial Institutions) Assistance Act, and various appropriation acts (including External Affairs Vote L40, Appropriation Acts No 1 and No 3, 1989-90).

During the year, payments and other charges included additional subscriptions in non-interest bearing, non-negotiable demand notes.

Asian Development Bank

This account records Canada's subscriptions to the capital of the Asian Development Bank, as authorized by the International Development (Financial Institutions) Assistance Act, and various appropriation acts.

During the year, there were no additional subscriptions made.

Caribbean Development Bank

This account records Canada's subscriptions to the capital of the Caribbean Development Bank, as authorized by the International Development (Financial Institutions) Assistance Act, and various appropriation acts.

During the year, there were no additional subscriptions made.

Inter-American Development Bank

This account records Canada's subscriptions to the capital of the Inter-American Development Bank, as authorized by the International Development (Financial Institutions) Assistance Act, and various appropriation acts (including External Affairs Vote L40c, Appropriation Act No 5, 1989-90).

During the year, payment and other charges included additional subscriptions in non-interest bearing, non-negotiable notes.

International Bank for Reconstruction and Development (World Bank)

This account records Canada's subscriptions to the capital of the International Bank for Reconstruction and Development (IBRD), as authorized by the Bretton Woods and Related Agreements Act, and various appropriation acts (including Finance Vote L5, Appropriation Acts No 1 and No 3, 1989-90).

During the year, payments and other charges included additional subscriptions in cash.

International Development Association

This account records Canada's subscriptions to the capital of the International Development Association, as authorized by the Bretton Woods and Related Agreements Act, and various appropriation acts (including Finance Vote L10, Appropriation Acts No 1 and No 3, 1989-90). The subscriptions to the Association, which is part of the World Bank Groups, are used to lend funds to developing countries for development purposes, at rates highly favourable to the borrower (no interest, with a 50 year maturity and 10 years of grace).

During the year, payments and other charges included additional subscriptions in the form of non-interest bearing, non-negotiable demand notes.

International Finance Corporation

This account records Canada's subscriptions to the capital of the International Finance Corporation, which is part of the World Bank Groups, as authorized by various appropriation acts (including Finance Vote L5, Appropriation Acts No 1 and No 3, 1989-90).

During the year, payments and other charges included additional subscriptions in cash.

Multilateral Investment Guarantee Agency

This account records Canada's subscriptions to the capital of the Multilateral Investment Guarantee Agency as authorized by an Act to amend the Bretton Woods and Related Agreements Act.

International financial institutions

This account records loans for assistance to international financial institutions, as authorized by the International Development (Financial Institutions) Assistance Act, and various appropriation acts (including External Affairs Votes L35 and L35c, Appropriation Acts No 1, No 3 and No 5, 1989-90).

The balances and transactions for loans to various international financial institutions are as follows:

| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 |
|---|--------------|---|----------------------------------|---------------|
| | \$ | \$ | \$ | \$ |
| African Development Bank | 3,968,896 | 125,000 | | 3,843,896 |
| African Development Fund | 574,457,511 | 1,724,998 | 123,333,333 | 696,065,846 |
| Less: notes payable | 322,704,812 | 123,333,333 | 15,411,479 | 430,626,666 |
| • • | 251,752,699 | 125,058,331 | 138,744,812 | 265,439,180 |
| ndean Development Corporation | 4,375,040 | 124,994 | | 4,250,046 |
| sian Development Bank—Special | 27,027,000 | | | 27,027,000 |
| sian Development Fund | 857,206,975 | | 102,130,312 | 959,337,287 |
| Less: notes payable | 540,402,097 | 102,130,312 | 73,433,607 | 569,098,802 |
| | 316,804,878 | 102,130,312 | 175,563,919 | 390,238,485 |
| aribbean Development Bank— | | | | |
| Agricultural Development Fund | 8,600,000 | | | 8,600,000 |
| aribbean Development Bank— | | | | |
| Commonwealth Caribbean Regional | 4.770.000 | 92,000 | | 4,678,000 |
| aribbean Development Bank—Special | 62,649,337 | 288,650 | 4,980,638 | 67,341,325 |
| Less: notes payable | 19,669,446 | 4,980,638 | 2,701,453 | 21,948,631 |
| 2455 Holds Pay 4010 | 42,979,891 | 5,269,288 | 7.682,091 | 45,392,694 |
| entral American Bank for Economic Integration | 2,180,279 | 76,500 | | 2,103,779 |
| ter-American Development Bank—Fund for Special | | | | |
| Operations | 270,918,524 | 3,866,300 | 2,409,587 | 269,461,811 |
| Less: notes payable | 41.647.026 | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 8,889,227 | 32,757,799 |
| | 229,271,498 | 3,866,300 | 11,298,814 | 236,704,012 |
| ternational Bank for Reconstruction and Development | 23.850.000 | 460,000 | | 23,390,000 |
| ternational Fund for Agriculture Development | 63,224,179 | , | 13,500,000 | 76,724,179 |
| Less: notes payable | 31,310,479 | 13,500,000 | 8,028,300 | 36,782,179 |
| 1 , | 31,913,700 | 13,500,000 | 21,528,300 | 39,942,000 |
| nternational Monetary Fund | 13,081,047 | 252,297 | | 12,828,750 |
| | 960,574,928 | 250,955,022 | 354,817,936 | 1,064,437,842 |

Common Fund for Commodities

This account was established by External Affairs Vote L47b. Appropriation Act No 3, 1980-81, to make payments and issue guarantees and promissory notes in the current and subsequent fiscal years to purchase shares in the first account of the Common Fund for Commodities in accordance with the terms and conditions of the agreement establishing the Common Fund of Commodities.

Payments, guarantees and promissory notes shall not exceed \$10,380,000 US.

International Tin Council

This account records Canada's subscriptions to the International Tin Council, as authorized by previous appropriation acts. The subscriptions are for the investment in the buffer stock previously established and carried forward under the Sixth International Tin Agreement.

International Natural Rubber Agreement

This account records Canada's contributions to the financing of the natural rubber buffer stock, as authorized by previous appropriation acts.

International Monetary Fund—Enhanced Structural Adjustment Facility

This account records the loan to the International Monetary Fund in order to provide assistance to debt distressed, low-income countries as authorized by an Act to amend the Bretton Woods and Related Agreements Act.

During the year, payments and other charges included a loan in cash.

International organizations and associations

These items represent the historical value of payments made by the Canadian Government to working capital funds maintained by international organizations of which Canada is a member. Participation in the financing of these working capital funds, on the basis of the scale of assessments, is prescribed by financial regulations for membership in the organizations. Payments into the funds are not subject to interest or repayment schedules, but are recorded by the organizations as credits from member states. Payments by Canada were authorized by appropriation acts.

VETERANS' LAND ACT FUND ADVANCES

Advances have been made, under Parts I and III of the Veterans' Land Act, for the acquisition of land, permanent improvements, removal of encumbrances, purchase of stock and equipment, and protection of security. The total amount authorized to be outstanding at any time is \$605,000,000.

A provision equal to 1/10 of the benefits to veterans was established each year up to and including 1978-79. Since that time, a forecast of requirements has been performed each year, and provisions are established as necessary. These provisions are charged to budgetary expenditure and credited to the allowance for conditional benefits account. The allowance for conditional benefits account represents the accumulated net provisions for benefits to veterans in the form of forgiveness of loans authorized by the Veterans' Land Act. These benefits come into effect only after certain conditions are fulfilled by the veterans. At the end of 10 years, the conditions having been met, the accumulated provision is charged to the allowance for conditional benefits account, and credited to the veteran's loan account.

During the year, loans totalling \$11,398 were written-off by Veterans Affairs Votes 2b and 3c, Appropriation Acts No 4 and No 5, 1989-90.

Table 6.16 summarizes the balances and transactions for advances to the Veterans' Land Act Fund.

TABLE 6.16
VETERANS' LAND ACT FUND

| | | | | | Net increase or decrease (-) | |
|--|--------------|----------------------------|----------------------------|---------------|------------------------------|------------------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Veterans' Land Act Fund— Advances | 91,545,266 | 16,889,355 | 11,485 | 74,667,396 | -16,877,870 | -20,200,533 |
| Less: allowance for conditional benefits | 464,661 | 10,869,333 | 8,400 | 456,261 | -8,400 | -20,200,333 -16,800 |
| Total | 91,080,605 | 16,889,355 | 19,885 | 74,211,135 | -16,869,470 | -20,183,733 |

JOINT AND MIXED ENTERPRISES

Joint and mixed enterprises are entities with share capital owned jointly by the Government and other governments and/or organizations to further common objectives. This group records and/or reports the Government's loans, investments and advances to such entities. Additional information on these entities is provided in Volume III of the Public Accounts.

Under the terms of Section 147 of the Bankruptcy Act, the Superintendent of Bankruptcy has received shares in a number

of corporations in lieu of a cash levy payable to the Crown. The Government's purpose in sharing ownership in these corporations with other entities is not to further common operating objectives.

Table 6.17 presents a summary of the balances and transactions for the various types of loans, investments and advances to joint and mixed enterprises.

TABLE 6.17JOINT AND MIXED ENTERPRISES

| | | | | | Net increase or decrease (-) | | |
|---|---|--|----------------------------|-------------------------------------|---|----------------------------|--|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 | |
| 1-66 | \$ | \$ | \$ | \$ | \$ | \$ | |
| Air Canada—Finance— (Privatization and Regulatory Affairs)— Capital stock Consolidated loan | 329,009,000 129,922,699 458,931,699 | 329,009,000 25,388,563 354,397,563 | | 104,534,136 104,534,136 | -329,009,000 -25,388,563 -354,397,563 | -23,645,003 -23,645,003 | |
| Canarctic Shipping Company Limited— Transport | | | | | | | |
| Cooperative Energy Corporation—Energy, Mines and Resources | 57,804,000 | | | 57,804,000 | | | |
| Lower Churchill Development Corporation Limited—Energy, Mines and Resources | 14,750,000 | | | 14,750,000 | | | |
| National Sea Products Ltd—Finance— (Privatization and Regulatory Affairs)— Capital stock Loans[1] | 59,540,000 117,415 59,657,415 | 11,956 11,956 | | 59,540,000 105,459 59,645,459 | -11,956 - <i>11,956</i> | -10,984 -10,984 | |
| Newfoundland and Labrador Development Corporation Limited—Atlantic Canada Opportunities Agency— Capital stock Loans | 200 7,583,712 <i>7,583,912</i> | 200 7,583,712 7,583,912 | | | -200 -7,583,712 -7,583,912 | -13,416,288 -13,416,288 | |
| North Portage Development Corporation— Western Economic Diversification | | | | | | | |
| NPM Nuclear Project Managers Canada Inc— Energy, Mines and Resources | | | | | | | |
| Société Inter-Port de Québec—Industry, Science and Technology— Telesat Canada—Communications | 400 30,000,000 | | | 400 30,000,000 | | | |
| Total | 628,727,426 | 361,993,431 | | 266,733,995 | -361,993,431 | -37,072,275 | |

This account was previously reported in Table 6.18 as Burgeo Leasing Limited.

Air Canada

The Corporation was established by the Air Canada Act, and continued under the Canada Business Corporations Act, to provide scheduled domestic and international air services to North America, the British Isles, continental Europe and the Caribbean.

Capital stock

The Air Canada Public Participation Act, which came into force on August 18, 1988, authorized the Government to dispose of its shares in the Corporation. It also authorized the Corporation to issue shares to the public. On October 13, 1988, the

Corporation issued common shares to the public and at that time, ceased to be a Crown corporation.

The Government's investment in the capital of the Corporation was sold on July 19, 1989 to the public with proceeds from the sale being credited to this account and to non-tax revenue.

Consolidated loan

The loan bears interest at the rate of 7.243% per annum, and is repayable in semi-annual instalments over 15 years, with the final instalment on April 13, 1993.

Canarctic Shipping Company Limited

The Corporation was incorporated under the Canada Corporations Act, and continued under the Canada Business Corporations Act, to acquire, sell, lease, charter and otherwise deal in and with ships of every description, and to do all other things necessary or incidental thereto.

In 1977-78, 305,996 common shares of Canarctic Shipping Company Limited having a total value of \$305,996, and representing 51% of the common shares outstanding, were purchased and charged to budgetary expenditure (Transport Vote 10—Marine operating expenditures). The balance of outstanding shares is owned by North Water Navigation Ltd.

Cooperative Energy Corporation

The Corporation was incorporated under the Cooperative Energy Act, to operate an energy corporation whose primary activity is to explore and develop new Canadian oil and gas resources. The Corporation is a holding company whose shareholders are the participating co-operatives and the Government of Canada. The objective of the Government's participation is to bring together a number of co-operative financial, agricultural, service and marketing institutions to participate in the Canadian oil and gas industry.

The Minister of Energy, Mines and Resources may subscribe for, acquire and hold shares and equity debentures of the Corporation for the Government of Canada.

The Government's investment in the capital of the Corporation, as authorized by the Cooperative Energy Act, is recorded in this account.

As of March 31, 1990, the Government's investment was made up of 578,040 class B shares with a value of \$57,804,000.

The Government's holding of shares represents 25% ownership of the Corporation.

Lower Churchill Development Corporation Limited

The Corporation was incorporated under the Companies Act of Newfoundland, to establish a basis for the development of all or part of the hydroelectric potential of the Lower Churchill basin and the transmission of this energy to markets.

This account records the Government's investment in the capital of the Corporation. In respect of Canada's participation with the Government of Newfoundland in the development of the hydroelectric power potential of the Lower Churchill River in Labrador, the Government is authorized to purchase approximately 49% of the shares of the Lower Churchill Development Corporation Limited.

The Government has purchased 1,475 class A shares, representing 49% of the shares outstanding. The balance of the outstanding shares is owned by Newfoundland and Labrador Hydro (an agent of the Government of Newfoundland and Labrador).

National Sea Products Ltd

The Corporation was incorporated under the Nova Scotia Companies Act, to process and market fish, seafoods and fish by-products. The objective of the Government's participation is to restructure the Nova Scotia fishery.

Capital stock

Pursuant to the Atlantic Fisheries Restructuring Act, the Government has acquired shares in the Corporation. The Government's holding consists of 1,552,976 no par value common shares and 1,552,976 no par value non-voting equity shares. This represents 19.6% of the shares outstanding.

Loans

Loans have been made to National Sea Products Ltd (formerly Burgeo Leasing Limited), for the construction of an extension to the wharf at Burgeo, Newfoundland. The total loan authority is \$240,000.

The loans bear interest based on the composite rate of 7.147% per annum, and are repayable in equal annual instalments over 25 years, with the final instalment on September 1, 1996.

Newfoundland and Labrador Development Corporation Limited

The Corporation was incorporated under the Companies Act of Newfoundland, to assist small and medium-sized businesses in Newfoundland and Labrador through loan and equity financing, management advisory services, and other related services.

Capital stock

The Government has purchased 200 ordinary \$1 par value common shares of Newfoundland and Labrador Development Corporation Limited, in accordance with an agreement between Canada and Newfoundland pursuant to Section 5(3)(c) of the Special Areas Act. This represents 40% of the authorized shares. The balance of the outstanding shares is owned by the Government of Newfoundland and Labrador. On March 29, 1989, an agreement was reached between Canada and Newfoundland whereby the Newfoundland Government would purchase Canada's shares to effect the withdrawal of the Government of Canada from the Corporation. During the year, the capital stock was purchased by the Newfoundland Government.

Loans

Loans have been made to provide financing and other services to small and medium-sized businesses in Newfoundland.

The portfolio of loans in this account has been transferred to the Government of Canada in settlement of its liability, and these loans now appear under "Loans to enterprises in Newfoundland and Labrador" in Table 6.18.

North Portage Development Corporation

The Corporation was incorporated under the Manitoba Corporations Act, to foster the social and economic development of the North Portage area in the core area of Winnipeg. The objective of the Government's participation is to stimulate economic recovery in Canada and Manitoba.

The Government's holding of common shares represents 33.3% of the shares outstanding. The Corporation is owned equally by the City of Winnipeg, the Province of Manitoba and the Government of Canada.

NPM Nuclear Project Managers Canada Inc

The Corporation was incorporated under the Canada Business Corporations Act, to manage nuclear projects and construction. The objective of the Government's participation is to transfer this activity from Atomic Energy of Canada Ltd to the private sector.

The Government has purchased 60 no par value common shares.

The Government's holding of shares represents 13.34% of the shares outstanding. The balance of the outstanding shares is owned by four private sector corporations.

Société Inter-Port de Québec

The Corporation was incorporated by a Special Act of the Government of Quebec, to develop and implement plans and programs for an industrial complex, using the infrastructure of the Quebec harbour, and contributing to the development of that same infrastructure.

The Government has purchased 400 common shares of the Corporation at \$1 per share. This represents 40% of the authorized shares. The balance of the outstanding shares is owned by the Government of Quebec.

Telesat Canada

The Corporation was incorporated by the Telesat Canada Act, to establish multi-purpose satellite telecommunication systems.

The Government has purchased 3,000,000 common shares of the Corporation at \$10 per share, for \$30,000,000. This investment represents 49.99% of the common shares outstanding.

MISCELLANEOUS

This group records loans, investments and advances not classified elsewhere.

Table 6.18 presents a summary of the balances and transactions for the various types of miscellaneous loans, investments and advances.

TABLE 6.18
MISCELLANEOUS LOANS, INVESTMENTS AND ADVANCES

| | | , | | | Net increase or d | lecrease (-) |
|---|--|--|---|---------------------------------------|---------------------------------------|---|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| 1 | \$ | \$ | \$ | \$ | \$ | \$ |
| Loans and accountable advances— | | | | | | |
| External Affairs— | | | | | | |
| Missions abroad | 8,105,061 11,566,603 <i>19,671,664</i> | 689,151,570 11,730,154 700,881,724 | 689,822,795 11,701,471 <i>701,524,266</i> | 8,776,286 11,537,920 20,314,206 | 671,225 -28,683 <i>642,54</i> 2 | -215,776 1,712,098 <i>1,496,322</i> |
| Industry, Science and Technology— Personnel posted in Canada | 1,563 | | | 1,563 | | |
| National Defence— Imprest accounts, standing advances and authorized loans | 30,709,894 | 567,121,890 | 571,193,585 | 34,781,589 | 4,071,695 | 1,812,360 |
| Supply and Services— Miscellaneous accountable advances Miscellaneous accountable imprest and | 6,129,056 | 6,129,915 | 8,191,982 | 8,191,123 | 2,062,067 | -560,931 |
| standing advances | 5,969,867 12,098,923 | 1,019,991 7,149,906 | 1,501,522 9,693,504 | 6,451,398 14,642,521 | 481,531 2,543,598 | 305,162 -255,769 |
| Total loans and accountable advances | 62,482,044 | 1,275,153,520 | 1,282,411,355 | 69,739,879 | 7,257,835 | 3,052,913 |
| Other miscellaneous— Agriculture— | | | | | | |
| Construction of multi-purpose exhibition buildings | 19,102,598 | 769,635 | | 18,332,963 | -769,635 | -954,736 |
| Loans to assist industry in the Cape Breton area | 1,943,720 | | 1,797,096 | 3,740,816 | 1,797,096 | 1,943,720 |
| and Labrador | 1,943,720 | 945,085 945,085 | 7,583,712 9,380,808 | 6,638,627 10,379,443 | 6,638,627 8,435,723 | 1,943,720 |

TABLE 6.18
MISCELLANEOUS LOANS, INVESTMENTS AND ADVANCES—Continued

| | | | | | Net increase or | decrease (-) |
|---|---|---|-------------------------------|--|---------------------------------------|--|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| - | \$ | \$ | \$ | \$ | \$ | \$ |
| Communications— Cultural property | 11,182 | 2,726 | | 8,456 | -2,726 | 1,182 |
| Employment and Immigration— Assisted passage scheme | 76,868,443 | 16,196,980 | 28,394,101 | 89,065,564 | 12,197,121 | 9,167,722 |
| Energy, Mines and Resources— Hydro-Quebec Research Institute | 10,717,430 | 762,120 | | 9,955,310 | -762,120 | -709,800 |
| Joint Venture—Bi-Provincial Upgrader | 10 717 420 | 762 /20 | 35,892,245 | 35,892,245 | 35,892,245 | 700 000 |
| External Affairs— Development of export trade (loans administered by the Export Development Cor- | 10,717,430 | 762,120 | 35,892,245 | 45,847,555 | 35,130,125 | -709,800 |
| poration) | 79,597,998 | 8,876,613 | 3,189,209 | 73,910,594 | -5,687,404 | -29,075,375 |
| Finance— Canadian Commercial Bank Ottawa Civil Service Recreational Associa- | 72,936,360 | | | 72,936,360 | | 3/5/ |
| tion | 207,988 13,556,214 | 28,129 | 398,869 | 179,859 13,955,083 | -28,129 398,869 | -26,754 222,645 |
| Town of Oromocto Development Corpora- | 61,646 86,762,208 | 31,218 59,347 | 398.869 | 30,428 87,101,730 | -31,218 339,522 | -77,390 118,501 |
| Fisheries and Oceans— | , , | , | | | | 0.77 |
| Canadian producers of frozen ground- fish | 304,493 120,423 | 41,334 34,698 | | 263,159 85,725 | -41,334 -34,698 | -37,624 -64,000 |
| Haddock fishermen | 1,353,044 1,777,960 | 76,032 | | 1,353,044 1,701,928 | -76,032 | -5,000 -106,624 |
| Indian Affairs and Northern Development— Council for Yukon Indians | 8,139,684 | | 1,206,754 | 0.246.420 | 1 206 754 | 1 121 505 |
| Eskimo loan fund | 2,824,244 | 318,021 | 22,874 | 9,346,438 2,529,097 | 1,206,754 -295,147 | 1,171,595 386,565 |
| fund | 41,594,582 2,101,506 79,091,000 | 16,633,850 692,133 | 1,482,250 1,452,000 | 26,442,982 1,409,373 80,543,000 | -15,151,600 -692,133 1,452,000 | 935,656 -520,018 19,091,000 |
| Native claimants Yukon Energy Corporation | 129,238,699 53,450,000 <i>316,439,715</i> | 489,000 1,400,000 <i>19,533,004</i> | 18,362,910 22,526,788 | 147,112,609 52,050,000 319,433,499 | 17,873,910 -1,400,000 2,993,784 | 14,041,726 -1,399,030 33,707,494 |
| Industry, Science and Technology- | | | | | | |
| Canadair Limited | 151,471 2,118,851 | 147,122 738,287 | | 4,349 1,380,564 | -147,122 -738,287 | -147,122 -1,094,626 |
| Industrial and regional development pro- gram | 1,229,167 | 125,000 | | 1,104,167 | -125,000 | -20,833 |
| industries in Canada | 111,090,359 114,589,848 | 1,010,409 | | 111,090,359 113,579,439 | -1,010,409 | -1,262,581 |
| Labour— Provincial workers' compensation | | | | | | |
| boards | 7,588,000 | | | 7,588,000 | | 2,080,000 |
| Canadian Forces housing projects | 13,271,154 | 668,950 | | 12,602,204 | -668,950 | -591,938 |
| Public Works— Burgeo Leasing Limited ^[1] Sydney Steel Corporation | | | | | | |
| Sydney Steel Corporation | 5,218,162 | | | 5,218,162 | | |
| Parolees | 13,477 | 13,368 | 15,037 | 15,146 | 1,669 | -2,741 |
| Supply and Services— Canadian Commercial Bank Defence production loan | 15,189,000 | | | 15,189,000 | | |
| account | 26,324,007 41,513,007 | | | 26,324,007 41,513,007 | | 16,600,000 16,600,000 |

TABLE 6.18

MISCELLANEOUS LOANS, INVESTMENTS AND ADVANCES—Concluded

| | | | | | Net increase or | decrease (-) |
|---|---------------|----------------------------|----------------------------|---------------|-----------------|--------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| 61 | \$ | \$ | \$ | \$ | \$ | \$ |
| Transport— | | | | | | |
| Corporation of the City of Montreal | 291,760 | 94,597 | | 197,163 | -94,597 | -91,731 |
| Hamilton Harbour Commissioners | 575,000 | 50,000 | | 525,000 | -50,000 | -50,000 |
| Northern Transportation Company Limited | 4,000,000 | | | 4,000,000 | | -3,000,000 |
| Port Alberni Harbour Commission | 427,192 | 164,792 | | 262,400 | -164,792 | -153,223 |
| Thunder Bay Harbour Commission | 45,388 | 45,388 | | | -45,388 | -85.982 |
| | 5,339,340 | 354,777 | | 4,984,563 | -354,777 | -3,380,936 |
| Veterans Affairs— Commonwealth War Graves | | | | | | |
| Commission | 69,816 | 2.586 | | 67,230 | -2,586 | |
| Accounts without current transactions | | , | | | - , | -95,570,555 |
| | 780.824.058 | 49,271,632 | 99,797,057 | 831,349,483 | 50,525,425 | 27,533,888 |
| Add: consolidation adjustment [2] | 847,292,000 | 183,577,000 | | 663,715,000 | -183,577,000 | 65,915,000 |
| Total other miscellaneous | 1,628,116,058 | 232,848,632 | 99,797,057 | 1,495,064,483 | -133,051,575 | 93,448,888 |
| Total | 1,690,598,102 | 1,508,002,152 | 1,382,208,412 | 1,564,804,362 | -125,793,740 | 96,501,801 |

This account is now reported in Table 6.17 as National Sea Products Ltd—Loans.

Missions abroad

Non-interest bearing advances have been made for interim financing of expenditures at missions abroad, pending distribution to appropriations of External Affairs and other departments and agencies.

During the year, the total amount authorized to be outstanding at any time was increased to \$50,000,000 by External Affairs Vote L12, Appropriation Acts No 1 and No 3, 1989-90.

Personnel posted abroad

A working capital advance account was established to finance loans and advances to employees posted abroad, including employees of other Government departments and agencies, as well as medical advances to locally-engaged staff.

During the year, the total amount authorized to be outstanding at any time was increased to \$18,500,000 by External Affairs Vote L11, Appropriation Acts No 1 and No 3, 1989-90.

The closing balance consists of loans to employees, \$8,627,726; advances for medical expenses, \$1,823,859; security and other deposits under Foreign Service Directives, \$851,328; and, school and club debentures, \$235,007.

The loans to employees bear interest at rates from 11% to 13% per annum, and are repayable over 4 years, with final instalments between April 1, 1990 and June 30, 1993.

During the year, loans totalling \$9,202 were forgiven pursuant to External Affairs Vote 2c, Appropriation Act No 5, 1989-90.

Personnel posted in Canada

This account records imprest bank account advances made to regional offices.

The total amount authorized to be outstanding at any time is \$1,950,000.

Imprest accounts, standing advances and authorized loans

This account was established for the purpose of financing: (a) public funds imprest and public funds advance accounts; (b) standing advances; (c) authorized loans and advances to employees posted abroad; and, (d) authorized recoverable advances to establish military messes and canteens.

During the year, the total amount authorized to be outstanding at any time was increased to \$80,000,000 by National Defence Vote L11c Appropriation Act No 5, 1989-90.

Miscellaneous accountable advances

The closing balance reflects amounts outstanding in the hands of departments, agencies and individuals, at year end, to be expended in the following year.

Miscellaneous accountable imprest and standing advances

This account is operated to provide standing travel advances, petty cash and imprest bank account advances, to departments and agencies.

The total amount authorized to be outstanding at any time is \$17,000,000.

^[2] In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

Construction of multi-purpose exhibition buildings

Loans have been made to finance the construction of multipurpose exhibition buildings.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) repayable over 28 to 30 years, bearing interest at rates from 7.432% to 9.684% per annum, with final instalments between May 31, 1995 and May 1, 2008, \$16,601,712; and,
- (b) repayable over 20 to 26 years, bearing interest at rates from 7.266% to 8.898% per annum, with final instalments between December 31, 1992 and February 15, 2005, \$1,731,251.

Loans to assist industry in the Cape Breton area

Loans have been made for the purpose of promoting the establishment, growth, efficiency and international competitiveness of Canadian industry or to assist them in their financial restructuring and to foster the expansion of Canadian trade to a person engaged or about to engage in a manufacturing, processing or service industry in the Cape Breton area.

During the year, additional loans were authorized by Atlantic Canada Opportunities Agency, Vote L10, Appropriation Acts No 1 and No 3, 1989-90.

The loans bear interest at rates from 13.25% to 13.75% per annum, and are repayable at various dates between September 30, 1990 to December 12, 1992.

Loans to Enterprises in Newfoundland and Labrador

Loans have been made to provide financing to small and medium-sized businesses in Newfoundland.

These loans originated from the Newfoundland and Labrador Development Corporation Limited, of which Canada owned 40% of the shares. In an agreement dated March 29, 1989, the Newfoundland Government purchased Canada's shares to effect the withdrawal of the Government of Canada from the Corporation. A condition of the withdrawal was that the Government of Canada accept these loans as full payment of moneys owing by the Corporation to Canada. These loans are currently being administered by the Corporation on behalf of the Government of Canada.

These loans bear interest at rates from 10.5% to 17% per annum and are repayable at various dates between April 1, 1990 and April 1, 1999.

Cultural property

Loans have been made to institutions and public authorities in Canada, for the purchase of objects in respect of which export permits have been refused under the Cultural Property Export and Import Act, or for the purchase of cultural property situated outside Canada which is related to the national heritage.

During the year, additional loans were authorized by Communications Vote L20, Appropriation Acts No 1 and No 3, 1989-90. The total loan authority is \$10,000 per year.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) bearing interest at the rate of 8.995% per annum, repayable over 5 years, with the final instalment on March 23, 1993, \$5,550; and,
- (b) bearing interest at the rate of 10.455% per annum, repayable over 5 years, with the final instalment on September 30, 1993, \$2,906.

Assisted passage scheme

Section 119 of the Immigration Act authorizes the making of loans to immigrants and other such classes of persons.

The total amount authorized to be outstanding at any time is \$90,000,000.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) repayable by monthly instalments over 1 to 5 years, with a deferment of 2 years, bearing interest at rates from 6% to 15% per annum, with final instalments between April 1, 1990 and April 1, 1995, \$5,422,356; and,
- (b) repayable by monthly instalments over 1 to 5 years, with a deferment of 2 years, non-interest bearing, with final instalments between April 1, 1990 and April 1, 1995, \$83,643,208.

During the year, loans totalling \$542,911 were written-off by Employment and Immigration Votes 16b and 17c, Appropriation Acts No 4 and No 5, 1989-90.

Hydro-Quebec Research Institute

Loans have been made to the Hydro-Quebec Research Institute, guaranteed by the Province of Quebec, to provide financial assistance for construction and operation of the Institute.

The loans bear interest at rates from 7.187% to 7.937% per annum, and are repayable in equal annual instalments over 25 years, with the final instalment on March 25, 1999.

Joint venture—Bi-Provincial Upgrader

The Government of Canada entered into a joint venture agreement with the Provinces of Alberta and Saskatchewan and Husky Oil Operations Ltd for the sole purpose of constructing and operating the Bi-Provincial Upgrader to be located near Lloydminster, Saskatchewan. The project facility will be used to upgrade heavy oil and crude bitumen.

The Governments' equity interest in the joint venture is equal to 30% of the Class A participating interest and 33.3% of the Class B participating interest.

During the year, investment payments were authorized by Energy, Mines and Resources Vote L15, Appropriation Acts No 1 and No 3, 1989-90.

As of March 31, 1990, the Governments' total investment is \$39.1 million. Of this amount \$3.1 million has been charged to budgetary expenditure (Vote 5) in 1988-89.

Development of export trade

Pursuant to Section 31 of the Export Development Act, the Governor in Council may authorize the Corporation to make loans where the liability is for a term, or in an amount in excess of that normally assumed by the Corporation. Such loans are financed directly by payments out of the Consolidated Revenue Fund and are administered by the Corporation on behalf of the Government of Canada.

Since April 1, 1987, certain loans for the development of export trade are made under budgetary authority.

The following table presents the balances and transactions for the loans made to the private sector, together with their terms and conditions of repayments. The closing balance of loans to the private sector includes, where applicable, total payments made under both budgetary and non-budgetary authorities. The total budgetary payments are deducted as a lump sum amount under the caption "Payments made under budgetary authority" at the end of the table to arrive at the amount reported in Table 6.18

| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 |
|---|----------------------|----------------------------------|----------------------------------|----------------------|
| 0.800 | \$ | \$ | \$ | \$ |
| (a) 1 to 5 year term, 0% to 12% interest per annum, with final repayment in September 1996: | | | | |
| Cuba Nigeria | 132,418 82,939 | 3,321,627 | 3,189,209 | 82,939 |
| Norway | 24,361,072 | 469.857 | | 23,891,215 |
| United States | 14,329,992 | 276,386 | | 14,053,606 |
| | 38,906,421 | 4,067,870 | 3,189,209 | 38,027,760 |
| b) 11 to 15 year term, 8.5% interest per annum, with final repayment in April 1995: | | | | |
| Brazil Zambia | 8,094,643 150,111 | 2,839,277 | | 5,255,366 150,111 |
| Zanou | 8,244,754 | 2,839,277 | | 5,405,477 |
| (c) 40 year term, 8% interest per annum, with final repayment in March 2036: | | | | |
| Antigua | 32,446,823 | 1,969,466 | | 30,477,357 |
| | 79,597,998 | 8,876,613 | 3,189,209 | 73,910,594 |

During the year, receipts and other credits included loan repayments of \$7,395,678, and a valuation adjustment of \$1,480,935 in respect of loans totalling \$62,999,182 US, while payments and other charges included loans of \$3,189,209. Interest of \$1.2 million was received and credited to non-tax revenue.

Canadian Commercial Bank

Advances have been made to the Canadian Commercial Bank representing the Government's participation in the support group as authorized by the Canadian Commercial Bank Financial Assistance Act. These funds represent the Government's participation in the loan portfolio that was acquired from the Bank (the Government of Canada's share is \$60 million) and the purchase of outstanding debentures from existing holders (\$13 million).

Ottawa Civil Service Recreational Association

Loans have been made to the Ottawa Civil Service Recreational Association, to assist in the building and development of the W Clifford Clark Memorial Centre.

The loans bear interest at rates from 4.25% to 5.375% per annum, and are repayable in equal semi-annual instalments over 25 and 45 years, with final instalments between September 30, 1990 and September 30, 2005.

Saint John Harbour Bridge Authority

Advances have been made to the Saint John Harbour Bridge Authority in connection with the financing, construction and operation of a toll bridge across the harbour of Saint John, NB. The total amount of advances in each year is to be based on the difference for the year between the operating and financing costs of the toll bridge, and the revenue of the Bridge Authority, repayable when the revenue of the Bridge Authority for the year exceeds the amount of the operating and financing costs for such year. The advances bear interest at rates from 5.875% to 16.375% per annum.

Advances made to the Authority to meet payments on Municipal Development and Loan Board loans and/or Canada Ports Corporation loans, have also been charged to this account. During the year, additional loans were authorized by Finance Vote L20, Appropriation Acts No 1 and No 3, 1989-90.

Town of Oromocto Development Corporation

Loans have been made to the Town of Oromocto Development Corporation, for housing projects in the Town of Oromocto, New Brunswick. The total loan authority is \$750,000.

The remaining loan bears interest at the rate of 5% per annum, and is repayable in equal semi-annual instalments over 30 years, with the final instalment due February 15, 1992.

Canadian producers of frozen groundfish

Loans have been made to Canadian producers of frozen groundfish, canned and frozen crabmeat, and canned and frozen lobster meat, to assist in the financing of inventories. The total loan authority is \$5,500,000.

The loans bore interest at the rate of 13% per annum, and were repayable in equal annual instalments over 7 years, with the final instalment in December 1987.

Groundfish processors

Loans have been made to assist processors of groundfish in Canada, who, as determined by the Fisheries Prices Support Board, are unable to obtain sufficient financing on reasonable terms from other sources, to maintain raw fish prices, i.e. prices to primary producers, at the 1966-68 level. The total loan authority is \$6,000,000. The loans bear interest at the rate of 8.75% per annum, and were repayable in equal annual instalments over 7 years, with the final instalment in December 1984. No loan repayments nor interest were received since November 1982.

Loans, in the amount of \$3,000,000, have also been made to ice-affected fish plants in Newfoundland, Labrador and North Shore, Quebec, to provide advances for working capital assistance to Canadian producers of groundfish products in Newfoundland and Quebec, who were affected by severe ice conditions in May and June 1974. The loans bear interest at rates from 8% to 10% per annum, and were repayable in equal annual instalments over 7 years, with the final instalment in December 1985.

Haddock fishermen

Loans have been made to Nova Scotia haddock fishermen whose fishery was closed from February 1 to May 31, 1975, pursuant to an agreement under the International Agreement for the Northwest Atlantic Fisheries. The total loan authority is \$1,650,000.

The loans bore interest at the rate of 8% per annum, and were repayable in equal annual instalments over 4 years, with the final instalment in 1979. Parliamentary authority is required to write-off the balance.

Council for Yukon Indians

Loans have been made to the Council for Yukon Indians, to provide interim benefits to elderly Yukon Indians pending settlement of Yukon Indians land claims.

During the year, additional loans were authorized by Indian Affairs and Northern Development Vote L25, Appropriation Acts No 1 and No 3, 1989-90.

The loans are repayable in full upon settlement of land claims, and are non-interest bearing before an Agreement-in-Principle for the settlement of a claim is reached.

Eskimo loan fund

Loans have been made to individual Eskimos or groups of Eskimos, to promote commercial activities and gainful occupations. Loans have also been made to co-operative associations, credit unions, caisses populaires or other credit societies incorporated under provincial laws, where the majority of members are Eskimos, or to corporations incorporated under the laws of Canada, or provincial laws, where the controlling interest is held by Eskimos.

The total amount authorized to be outstanding at any time is \$7,072,000.

The loans bear interest at rates from 5% to 19.5% per annum, and are repayable over 1 to 15 years, with final instalments between April 1, 1990 and February 2, 2003.

During the year, loans totalling \$28,396 were written-off by Indian Affairs and Northern Development Vote 31b, Appropriation Act No 4, 1989-90.

Indian economic development fund

Loans have been made for the purposes of economic development of Indians, to Indians or Indian bands, or to individuals, partnerships or corporations, the activities of which contribute or may contribute to such development.

The total amount authorized to be outstanding at any time has been reduced from \$70,000,000 to \$64,000,000, by Indian Affairs and Northern Development Vote 6b, Appropriation Act No 4, 1989-90.

The loans bear interest at rates from 5% to 21% per annum, and are repayable over 4 month to 15 years, with final instalments between April 1, 1990 and April 1, 2004.

During the year, loans totalling \$11,823,891 were written-off by Indian Affairs and Northern Development Votes 7b and 8c, Appropriation Acts No 4 and No 5, 1989-90.

Indian housing assistance fund

Second mortgage loans have been made to provide financial assistance to Indians and Inuit, for the construction and acquisition of houses and land, in areas other than Indian reserves. The purposes of the account were extended to authorize loans and advances to Indians and Inuit, for repairs or improvements to houses at time of purchase, in areas other than Indian reserves.

The total amount authorized to be outstanding at any time is \$20,000,000.

The loans are non-interest bearing, and are repayable in full by equal annual instalments or forgiveness, or, when the borrower sells the property. Whenever certain conditions of occupancy and maintenance are satisfied, instalments are forgiven at the rate of 10% per annum for up to 10 years.

During the year, \$311,581 was forgiven under the authority of Northern Affairs and National Resources Vote L51a, Appropriation Act No 9, 1966.

In addition, loans totalling \$308,042 were written-off by Indian Affairs and Northern Development Votes 7b and 8c, Appropriation Acts No 4 and No 5, 1989-90.

Inuvialuit Regional Corporation

A loan has been made to the Inuvialuit Regional Corporation pursuant to Section 6 of the Western Arctic (Inuvialuit) Claims Settlement Act to meet the monetary obligations of the Government under Section 15(4) of the agreement dated June 5, 1984, between the Committee for Original Peoples' Entitlement representing the Inuvialuit of the Inuvialuit Settlement Region, and the Government of Canada.

The total loan authority is \$30,000,000 per year as long as the total outstanding loans do not exceed \$80,543,000.

The loan bears interest at the rate of 8% per annum, calculated semi-annually, not in advance, and any accrued interest or loans outstanding, exceeding \$82,112,000 are repayable on December 31, 1990.

Native claimants

Loans have been made to native claimants, to defray the costs related to the research, development and negotiation of claims.

During the year, additional loans were authorized by Indian Affairs and Northern Development Votes L20 and L20b, Appropriation Acts No 1, No 3 and No 4, 1989-90.

The terms and conditions of the loans are as follows:

- (a) loans made before an Agreement-in-Principle for the settlement of a claim is reached are non-interest bearing;
- (b) loans made after the date on which an Agreement-in-Principle for the settlement of a claim has been reached, bear interest at a rate equal to the rate established by the Minister of Finance in respect of borrowings for equivalent terms by Crown corporations; and,

(c) loans are due and payable, as to principal and interest, on the date on which the claim is settled, or on a date fixed in the agreement, which shall be not later than March 31, 1998, whichever date is earlier.

Yukon Energy Corporation

In accordance with Section 4(2) of the Northern Canada Power Commission Yukon Assets Disposal Authorization Act, the Northern Canada Power Commission (formerly a Crown corporation) transferred its assets in the Yukon Territory to the Yukon Energy Corporation effective March 31, 1987.

Loans have been made to assist the Yukon Energy Corporation in acquiring the Northern Canada Power Commission Yukon Assets pursuant to Section 7(1) of the Northern Canada Power Commission Yukon Assets Disposal Authorization Act.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) loans in the amount of \$14,800,000 bear interest at the rate of 9% per annum, are repayable in equal principal annual instalments of \$400,000 plus interest, with the final principal instalment on March 31, 1997 of \$12,000,000 plus interest; and,
- (b) loans in the amount of \$37,250,000 bear interest at the rate of 7% per annum, are repayable in equal principal annual instalments of \$1,000,000 plus interest with the final instalment on January 1, 2028. The instalment is subject to certain principal deferral and interest abatement provisions depending on the sales volume of electrical power.

Canadair Limited

The Corporation was incorporated pursuant to the Canada Corporations Act, and continued under the Canada Business Corporations Act, to manufacture and sell aircraft.

Loans have been made to the Corporation for the financing of water bomber aircraft, such loans to be recovered on the sale of the aircraft.

The loans are non-interest bearing and are repayable only when the aircraft are sold.

Canadian defence industry

Advances have been made to assist Canadian defence industry with plant modernization.

The advances are non-interest bearing, and are repayable over 1 to 5 years, with final instalments between April 1, 1990 and December 31, 1994.

During the year, advances totalling \$99,541 were written-off by Industry, Science and Technology Vote 3c, Appropriation Act No 5, 1989-90.

Company stock option

This account records the purchase by the General Adjustment Assistance Board and the Enterprise Development Board, on behalf of Her Majesty in right of Canada, of the capital stock of a company in order to exercise a stock option in such company that has been taken by the Board in connection with the provision of a loan, or of insurance of a loan or a letter of credit made or issued to the company in accordance with the General Adjustment Assistance Regulations, the Automotive Manufacturing Assistance Regulations, or under the Enterprise Development Program, where, in the opinion of a Board established pursuant to Section 15 of the Department of Industry, Science and Technology Act:

- (i) the value of the capital stock of the company has increased as a result of the assistance provided and the stock option should be exercised, in order to permit Her Majesty in right of Canada to benefit from the increased value of the capital stock of the company; or,
- (ii) the stock option should be exercised, to protect the Crown's interest in respect of the loan made or insurance provided; and,

to authorize the sale or other disposition of any capital stock so acquired.

During the year, additional purchases were authorized by Industry, Science and Technology Vote L15, Appropriation Acts No 1 and No 3, 1989-90.

Industrial and regional development program

Loans have been made to firms and industries to help them adjust to changing competitive conditions and to produce new, more viable and competitive products and services.

The remaining loan bears interest at the rate of 12.625% per annum, and is repayable between April 24, 1990 and January 24, 1999.

Manufacturing, processing and service industries in Canada

This account records loans made to persons engaged or about to engage or assist in manufacturing, processing or service industries in Canada in order to promote the establishment, improvement, growth, efficiency or international competitiveness of such industries or to assist them in their financial restructuring.

During the year, an additional loan was authorized by Industry, Science and Technology Vote L20, Appropriation Acts No 1 and No 3, 1989-90. One of the loans bears interest at rates from 9.375% to 10.375% per annum, and is repayable over 7 to 8 years, with a final instalment due December 15, 1998. The other loan is interest-free unless it is in default, and it will be repaid in one instalment of \$110 million on April 1, 2017.

Provincial workers' compensation boards

This account is operated under the authority of Section 4(6) of the Government Employees Compensation Act, to provide operating funds to enable provincial compensation boards to administer the Act on behalf of the Crown, and pay claims to Canadian Government employees injured in the course of their employment.

The total amount of advances that is authorized to be made to all provincial workers' compensation boards is not to exceed three months' disbursements for compensation.

The advances are non-interest bearing and are to be repaid on termination of agreements with provincial boards.

Canadian Forces housing projects

Advances have been made to the Canada Mortgage and Housing Corporation, in respect of loans arranged by the Corporation for housing projects for occupancy by members of the Canadian Forces.

The loans bear interest at rates from 4% to 5.75% per annum, and are repayable over 35 to 48 years, with final instalments between August 1, 1996 and November 1, 2010.

Sydney Steel Corporation

Loans have been made to Sydney Steel Corporation, for the construction of wharf facilities at Sydney, Nova Scotia. The total loan authority is \$6,000,000.

The loans bear interest at the rate of 9.078% per annum, and are repayable in equal annual instalments over 20 years, with the final instalment on June 12, 1998. The instalments are in arrears since June 1, 1979. Parliamentary authority is required to write-off the balance.

Parolees

Loans have been made to parolees and individuals under mandatory supervision, to assist in their rehabilitation.

The total amount authorized to be outstanding at any time is \$50,000.

The loans are non-interest bearing and are repayable before the expiration of the parole period, or within one year from the date the loans were made, whichever period is the shorter. The repayment of a loan or any part thereof may be forgiven by the Solicitor General, if certain conditions are met.

During the year, loans totalling \$8,570 were forgiven pursuant to Solicitor General Vote L103b, Appropriation Act No 1, 1969.

Canadian Commercial Bank

This account represents the amount the Receiver General for Canada had on deposit with the Canadian Commercial Bank at the time the Bank ceased operation on September 1, 1985. Since this amount was not covered for reimbursement under the Financial Institutions Depositors Compensation Act, parliamentary authority is required to write-off the balance.

Defence production loan account

This account was established under Section 18 of the Defence Production Act, to record loans or advances for any purpose other than to assist in the construction, acquisition, extension or improvement of capital equipment or works by any person.

Section 19 of the Defence Production Act stated that the aggregate of expenditures charged to the Defence production revolving fund (budgetary account), and to this account, shall not at any time exceed by more than \$100,000,000 the aggregate of amounts:

- (a) received from the sale or disposition of materials, substances or defence supplies;
- (b) charged to another appropriation in respect of costs of acquisition, storage, maintenance or transportation of stocks of materials or substances purchased, or of stocks of defence supplies acquired, where such materials, substances or defence supplies may be acquired under that appropriation;
- (c) charged to an appropriation or paid by an agent of Her Majesty or by an associated government, to pay costs incurred in respect of defence supplies, payment for which was made out and charged to the Defence production revolving fund; and,
- (d) received in repayment of a loan or advance previously charged to this account.

The balance in the account represents:

- a repayment of \$1.7 million owed to this account by CAE Aircraft, which is in dispute concerning the date when repayment is due. Legal counsel is of the opinion that no loss to the Government will be incurred; and,
- loans of \$24.6 million which have been issued to Expro Chemical Products Inc for the specific purpose of meeting its working capital requirements.

The loans bear interest at rates from 9.865% to 10.590% per annum, and are repayable in quarterly instalments over 5 to 10 years, with the final instalment in October, 1998.

Corporation of the City of Montreal

A loan has been made to the Corporation of the City of Montreal, for the construction of a vehicular tunnel under the Lachine Canal at Atwater Avenue.

The loan bears interest at the rate of 3.125% per annum, and is repayable in equal annual instalments over 30 years, with the final instalment on June 20, 1991.

Hamilton Harbour Commissioners

Loans have been made to the Hamilton Harbour Commissioners, to assist in the development of the harbour.

The total amount authorized to be outstanding at any time is \$4,000,000.

The remaining loan bears interest at the rate of 4.125% per annum, and is repayable in semi-annual instalments over 39 years, with the final instalment on January 15, 2004.

Northern Transportation Company Limited

A loan has been made to 141606 Canada Limited, to finance the acquisition of the former Northern Transportation Company Limited. On July 15, 1985, both corporations were amalgamated under the name of Northern Transportation Company Limited.

The loan bears interest at the rate of 4% per annum, is repayable in annual instalments equal to 40% of the annual cash flow of the Company, and has an indefinite maturity date.

Port Alberni Harbour Commission

Loans have been made to the Port Alberni Harbour Commission, to finance the construction of a new lumber assembly wharf.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) bearing interest at the rate of 8.062% per annum, repayable in semi-annual instalments over 20 years, with the final instalment on June 30, 1991, \$70,339; and,
- (b) bearing interest at the rate of 7.187% per annum, repayable in semi-annual instalments over 20 years, with the final instalment on June 30, 1991, \$192,061.

Thunder Bay Harbour Commission

Loans have been made to the Thunder Bay Harbour Commission, for the expansion of the Keefer terminal.

During the year, the loans were repaid in full.

Commonwealth War Graves Commission

Advances have been made to the working capital fund of the Commonwealth War Graves Commission, to maintain graves and cemeteries.

At year end, the balance of the advances was £30,000 UK. This balance was converted to Canadian dollars, using the year-end rate of exchange.

The advances are non-interest bearing and have no fixed terms of repayments.

ALLOWANCE FOR VALUATION

In accordance with the comprehensive policy on valuation, assets are subject to an annual valuation to reflect reductions from the recorded value to the estimated realizable value.

The allowance for valuation, for loans, investments and advances, represents the estimated losses on the realization of the loans, investments and advances included in the accounts of Canada at year end.

section 7

1989-90 PUBLIC ACCOUNTS

Specified Purpose Accounts

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SPECIFIED PURPOSE ACCOUNTS

Specified purpose accounts represent the recorded value of the financial obligations of the Government of Canada in its role as administrator of certain public moneys received or collected for specified purposes, under or pursuant to the legislation, trusts, treaties, undertakings or contracts. These public moneys may be paid out only for the purposes specified in or pursuant to the legislation, trusts, treaties, undertakings or contracts.

Because of the dedicated purposes of these moneys, specific accounts are required to be maintained to provide an accounting mechanism to ensure that the moneys are used only for the purposes for which they were received or collected. Legislation relating to some accounts permits investments to be made and, in certain cases, the balances of the accounts earn interest.

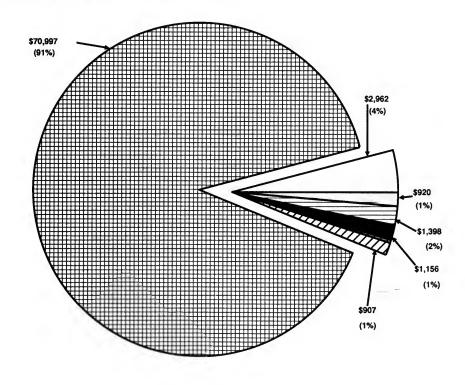
This section gives details of specified purpose accounts on which summary information was given in Sections 1 and 2 of this volume.

Chart A presents the total specified purpose accounts by category for the current fiscal year, while Chart B compares the total specified purpose accounts for the last five fiscal years. Table 7.1 presents the transactions and year-end balances of specified purpose accounts by category.

Some tables in this section present the continuity of accounts, by showing the opening and closing balances, as well as receipts and other credits, and payments and other charges. In addition, the term "account(s) without current transactions" has been included in some tables, to show the net result of transactions in accounts which were closed out in the previous year.

The financial statements of the Canada Pension Plan Account and the Canada Pension Plan Investment Fund, the Government Annuities Account and the Royal Canadian Mounted Police (Dependants) Pension Fund, together with the Auditor General's reports thereon, are presented at the end of this section.

CHART A
SPECIFIED PURPOSE ACCOUNTS
(in millions of dollars)



 ☐ Canada Pension Pian Account
 ☐ Deposit and trust accounts

 ☐ Superannuation accounts
 ☐ Provincial tax collection agreements account

 ☐ Government Annuities Account
 ☐ Other specified purpose accounts

CHART B SPECIFIED PURPOSE ACCOUNTS (in billions of dollars)

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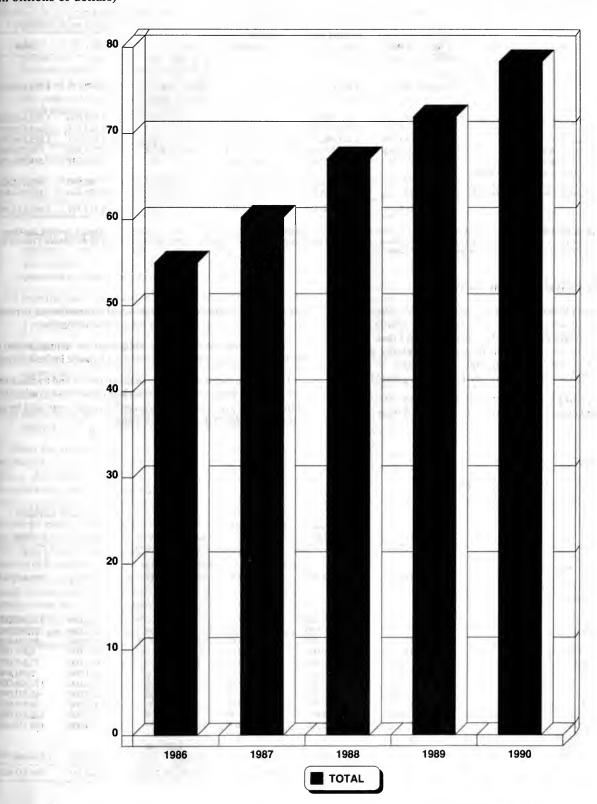


TABLE 7.1
SPECIFIED PURPOSE ACCOUNTS

| | April 1/1989 | | | | Net increase or decrease (-) | | |
|---|----------------|----------------------------|-------------------------------|----------------|------------------------------|---------------|--|
| | | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Canada Pension Plan Account, | | | | | | | |
| Table 7.2 | 37,602,881,586 | 14,527,045,082 | 12,684,557,911 | 39,445,368,757 | 1,842,487,171 | 1,581,805,687 | |
| Less: securities held by the | | | | | | | |
| Canada Pension Plan | | | | 3 | | | |
| Investment Fund, Table 7.2 | 35,063,117,000 | 823,286,000 | 2,243,231,000 | 36,483,062,000 | 1,419,945,000 | 1,326,068,000 | |
| | 2,539,764,586 | 15,350,331,082 | 14,927,788,911 | 2,962,306,757 | 422,542,171 | 255,737,687 | |
| Superannuation accounts, Table 7.4 | 64,612,683,078 | 8,401,484,326 | 2,016,926,565 | 70,997,240,839 | 6,384,557,761 | 5,825,016,582 | |
| Government Annuities Account | 948,221,887 | 62,747,366 | 104,292,774 | 906,676,479 | -41,545,408 | -39,216,494 | |
| Deposit and trust accounts, Table 7.10 | 1,220,845,213 | 3,306,972,382 | 3,372,472,614 | 1,155,344,981 | -65,500,232 | -518,704,759 | |
| Provincial tax collection agreements account, | | | | | | | |
| Table 7.13 | 1,765,750,365 | 24,332,544,792 | 24,700,007,482 | 1,398,287,675 | -367,462,690 | -731,174,433 | |
| Other specified purpose accounts, Table 7.14 | 834,202,642 | 7,923,658,511 | 7,838,082,351 | 919,778,802 | 85,576,160 | 107,984,410 | |
| Total | 71,921,467,771 | 59,377,738,459 | 52,959,570,697 | 78,339,635,533 | 6,418,167,762 | 4,899,642,993 | |

Note: the balances and the transactions of the Unemployment Insurance Account, the Canadian Ownership Account, the Western Grain Stabilization Account, the Crop Reinsurance Fund, the Agricultural Commodities Stabilization Accounts and other specified purpose accounts are reported in Section 5 of this volume (Table 5.7) since the transactions in these accounts are treated as budgetary.

Canada Pension Plan Account

The Canada Pension Plan is a compulsory contributory social insurance plan which enables members of the labour force to acquire and retain protection for themselves and their families against loss of income due to retirement, disability or death. Established in 1965, the Plan applies in all parts of Canada, except the Province of Quebec which has a comparable plan.

Under existing arrangements, all benefits and costs incurred in the administration of the program are financed from contribu-

tions made by employees, employers and self-employed persons, and the interest earned from the investment of funds.

The Government's financial obligation, as administrator of the Canada Pension Plan, is limited to the balance in the Account.

Table 7.2 presents a summary of the balances and transactions in the Canada Pension Plan Account less investment in securities of the federal, provincial and territorial governments held by the Canada Pension Plan Investment Fund.

TABLE 7.2

CANADA PENSION PLAN ACCOUNT

| | April 1/1989 | • | | | Net increase or decrease (-) | | |
|--------------------------------|----------------|----------------------------|----------------------------|----------------|------------------------------|---------------|--|
| | | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 | |
| | \$ | \$ | \$ | \$ ~~ | \$ | \$ | |
| Canada Pension Plan Account, | | | | | | 4 | |
| Table 7.3 | 37,602,881,586 | 14,527,045,082 | 12,684,557,911 | 39,445,368,757 | 1,842,487,171 | 1,581,805,687 | |
| Less: securities held by the | | | | | | | |
| Canada Pension Plan Investment | | | | | | | |
| Fund — | | | | | | 1 | |
| Canada | 3,005,600,000 | 4,059,000 | 71,112,000 | 3,072,653,000 | 67,053,000 | 513,753,000 | |
| Newfoundland | 727,941,000 | 15,557,000 | 45,188,000 | 757,572,000 | 29,631,000 | 27,398,000 | |
| Nova Scotia | 1,365,521,000 | 34,566,000 | 85,218,000 | 1,416,173,000 | 50,652,000 | 49,271,000 | |
| Prince Edward Island | 154,733,000 | 3,240,000 | 10,544,000 | 162,037,000 | 7,304,000 | 6,846,000 | |
| New Brunswick | 1,003,721,000 | 24,216,000 | 64,307,000 | 1,043,812,000 | 40,091,000 | 37,547,000 | |
| Quebec | 128,398,000 | 3,078,000 | 6,099,000 | 131,419,000 | 3,021,000 | 2,911,000 | |
| Ontario | 16,078,223,000 | 445,777,000 | 1,086,695,000 | 16,719,141,000 | 640,918,000 | 177,326,000 | |
| Manitoba | 1,911,909,000 | 47,683,000 | 114,972,000 | 1,979,198,000 | 67,289,000 | 63,721,000 | |
| Saskatchewan | 1,577,117,000 | 40,357,000 | 101,867,000 | 1,638,627,000 | 61,510,000 | 58,024,000 | |
| Alberta | 4,209,336,000 | 76,618,000 | 311,940,000 | 4,444,658,000 | 235,322,000 | 222,553,000 | |
| British Columbia | 4,896,892,000 | 128,135,000 | 345,289,000 | 5,114,046,000 | 217,154,000 | 166,718,000 | |
| Northwest Territories | | | | | | | |
| Yukon Territory | 3,726,000 | | | 3,726,000 | | | |
| • | 35,063,117,000 | 823,286,000 | 2,243,231,000 | 36,483,062,000 | 1,419,945,000 | 1,326,068,000 | |
| Total | 2,539,764,586 | 15,350,331,082 | 14,927,788,911 | 2,962,306,757 | 422,542,171 | 255,737,687 | |

Receipts and other credits include:

- (a) contributions of: (i) 2.1% of earnings by employees earning over \$2,700 for the 1989 calendar year and 2.2% of earnings over \$2,800 for the 1990 calendar year, subject to maximum payments of \$525 for the 1989 calendar year and \$574 for the 1990 calendar year, with matching contributions by employers and (ii) 4.2% of earnings of self-employed persons over \$2,700 for the 1989 calendar year and 4.4% of earnings over \$2,800 for the 1990 calendar year, subject to maximum payments of \$1,050 for the 1989 calendar year and \$1,148 for the 1990 calendar year;
- (b) interest received from securities of the Canada Pension Plan Investment Fund, and from the average daily operating balance; and,
- (c) funds received from the federal and provincial governments for securities which have been redeemed.

Payments and other charges include:

- (a) benefits paid under the Canada Pension Plan as retirement pensions, survivors' benefits paid to widows, widowers and orphans, or as lump sum death benefits, and disability pensions and benefits to children of disabled contributors;
- (b) benefits paid and recovered from the Canada Pension Plan, in accordance with an agreement with a province providing a comprehensive pension plan;
- (c) payments that are required to be charged to the Canada Pension Plan Account, in accordance with reciprocal agreements with other countries;
- (d) the costs of administration of the Plan; and,
- (e) funds invested during the year in the securities of the federal, provincial and territorial governments.

When the operating balance exceeds the estimated amount required to meet all payments in the following three-month period, the excess is available for the purchase of securities of the provinces, territories and Canada.

Provinces and territories are advised monthly of the amount of excess moneys in the Canada Pension Plan Account that is available for the purchase of provincial and territorial securities. The amount available to each province and territory is the proportion that contributions made to the Plan during the preceding ten years in respect of employment in the province or territory bears to total contributions. Contributions received in respect of employment from employees outside Canada as well as any excess funds not invested in the securities of the provinces and territories are invested in the special non-marketable bonds of the Government of Canada.

Certain federal employees, such as members of the Canadian Armed Forces, who are resident in the Province of Quebec, contribute to the Canada Pension Plan. The securities of Quebec which are purchased by the Plan relate to the contributions of these employees.

On the Statement of Assets and Liabilities of the Government of Canada, the investment in securities issued by the federal, provincial and territorial governments as charged to the Canada Pension Plan Investment Fund, is deducted from the Canada Pension Plan Account.

TABLE 7.3

CANADA PENSION PLAN ACCOUNT (in millions of dollars)

| | 1989-90 | 1988-89 |
|---|-----------------------------|------------------------------|
| RECEIPTS AND OTHER CREDITS— Contributions— | | |
| Employees, employers and self-employed | 7,278 3,826 | 6,248 3,662 |
| balance | 356 | 251 |
| transactions | 3,067 | 2,802 |
| | 14,527 | 12,963 |
| PAYMENTS AND OTHER CHARGES— Benefits Expenses Canada Pension Plan Investment Fund | 9,473 145 | 8,445 134 |
| transactions | 3,067 | 2,802 |
| | 12,685 | 11,381 |
| Excess of receipts and other credits over payments and other charges | 1,842 | 1,582 |
| Funds applied— Purchase of bonds— Provincial and territorial Federal Increase in deposits with Receiver General | 2,172 71 422 2,665 | 1,545 519 256 2,320 |
| Less: funds provided— Redemption of bonds— | 2,003 | 2,520 |
| Provincial | 819 4 823 | 733 5 <i>738</i> |
| Net increase | 1,842 37,603 | 1,582 36,021 |
| Balance at end of year | 39,445 | 37,603 |

Superannuation Accounts

The superannuation accounts liability includes the related specified purpose accounts as well as a supplementary allowance used to record any shortfall in the benefit obligations as determined on an actuarial basis.

The Government provides pensions to retired employees or their dependants through pension schemes authorized by the Public Service Superannuation Act, the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act. These pensions are indexed to the cost of living under authority of the Supplementary Retirement Benefits Act. The Government's liabilities in its role as sponsor and administrator of these pension plans in respect of its employees and certain other contributors, are recorded in the relevant superannuation accounts.

Legislation for basic pensions provides for employee contributions (6 1/2% of salary less contributions to the Canada Pension Plan), employer contributions (prior year's employee contributions for members of the Public Service, and approximately 1.8 and 2.0 times current year's employee contributions for members of the Canadian Forces and the Royal Canadian Mounted Police respectively), allocation of interest (average market yield of 20 year Canada bonds weighted by the quarterly excess of receipts over disbursements in the three accounts each quarter over 20 years), and actuarial valuation deficiencies. Legislation for indexing basic pensions provides for additional employee contributions (1% of salary), matching employer contributions and allocation of interest (current rate of 5 year Canada bonds).

Receipts and other credits for the superannuation accounts consist of contributions from personnel, related contributions from the Government and participating Public Service corporations, transfers from other pension funds, other Government contributions related to actuarial liability adjustments (not applicable to the Supplementary Retirement Benefits Account), and interest. Payments and other charges for the superannuation accounts consist of payments of pensions, minimum benefits, cash termination allowances (lump sum payments to employees suffering a disability), refunds of contributions and transfers to other plans.

The Public Pensions Reporting Act, as passed by the House of Commons on February 10, 1986, requires that actuarial reviews be conducted at a date not later than four years after the last review date and, thereafter, at dates not more than three years apart, for each of the employer-sponsored pension plans, and the portion of the Supplementary Retirement Benefits Account that relates to these plans. As specified in that Act, the last review dates are deemed to be December 31, 1986 for the Public Service Superannuation Account, December 31, 1987 for the Canadian Forces Superannuation Account, and December 31, 1985 for the Royal Canadian Mounted Police Superannuation Account.

In accordance with the legislation governing the basic portion of the three superannuation plans, the Minister of Finance has the authority to direct that any actuarial deficiency found will be credited to the appropriate account, charged to unamortized portion of actuarial deficiencies, and amortized to expenditure in five equal annual instalments commencing in the year in which the actuarial report is laid before Parliament. In addition, the cost of added liabilities, created by the authorization of salary increases each year, is credited to the superannuation accounts, charged to unamortized portion of actuarial deficiencies, and amortized to expenditure over a period of five years commencing in the year in which the increases are authorized. In the current year, there were no actuarial deficiencies relating to each of the basic accounts.

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Since the quarter ending September 30, 1969, the regulations, made pursuant to each of the superannuation acts, have provided for the calculation of interest on the basic accounts at a rate related to the Canada Pension Plan interest rate (currently 6.5% per annum for the Public Service, Canadian Forces and Royal Canadian Mounted Police Superannuation Accounts).

Table 7.4 presents a summary of the balances and transactions for the superannuation accounts including the amortization of actuarial deficiencies.

Table 7.5 presents a summary of transactions in the superannuation accounts that resulted in charges to budgetary expenditure. In 1989-90, \$8,235 million was charged to budgetary expenditure on account of superannuation plans. This was composed of Government contributions, \$896 million; increased superannuation benefits paid during the year due to indexation in excess of the superannuates' share of contributions plus interest to the Supplementary Retirement Benefits Account, \$966 million; and, interest, \$6,373 million.

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TABLE 7.4
SUPERANNUATION ACCOUNTS

| | | Receipts and other credits | | | Net increase or decrease (-) | | |
|---|----------------|----------------------------|----------------------------|----------------|------------------------------|---------------|--|
| | | | Payments and other charges | March 31/1990 | 1990 | 1989 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Public Service Superannuation Account, | | | | | | | |
| Table 7.6 | 30,609,954,534 | 4,569,770,008 | 1,260,167,678 | 33,919,556,864 | 3,309,602,330 | 3,000,454,649 | |
| Canadian Forces Superannuation Account, | | | | | | | |
| Table 7.7 | 19,646,044,234 | 2,585,964,953 | 575,752,188 | 21,656,256,999 | 2,010,212,765 | 1,844,358,637 | |
| Royal Canadian Mounted Police Superannuation Account, Table 7.8 | 3,154,464,827 | 463,273,206 | 61,484,286 | 3,556,253,747 | 401,788,920 | 396,718,849 | |
| Table 7.9 | 4,502,219,483 | 782,476,159 | 119,522,413 | 5,165,173,229 | 662,953,746 | 583,484,447 | |
| | 57,912,683,078 | 8,401,484,326 | 2,016,926,565 | 64,297,240,839 | 6,384,557,761 | 5,825,016,582 | |
| Allowance for actuarial liability for employee pensions | 6,700,000,000 | | | 6,700,000,000 | | | |
| Total | 64,612,683,078 | 8,401,484,326 | 2,016,926,565 | 70,997,240,839 | 6,384,557,761 | 5,825,016,582 | |

TABLE 7.5

SUMMARY OF TRANSACTIONS IN SUPERANNUATION ACCOUNTS THAT RESULTED IN CHARGES TO BUDGETARY EXPENDITURE (in millions of dollars)

| | Government contributions | Statutory payments under Supplementary Retirement Benefits Account | Interest | Total | 1988-89 |
|---|--------------------------|--|------------|------------|------------|
| Public Service Supersequetion Associate | 426 | 561 | 3,393 | 4,380 | 4.037 |
| Public Service Superannuation Account | 270 | 376 | 2,161 | 2,807 | 2,567 |
| Account Supplementary Retirement Benefits Account | 71 129 | 29 | 348 471 | 448 600 | 433 513 |
| Total | 896 | 966 | 6,373 | 8,235 | 7,550 |

Public Service Superannuation Account

This account is operated under the Public Service Superannuation Act.

The unamortized portion of the actuarial deficiency in the Public Service Superannuation Account at the end of the current year remained as nil. No actuarial liability adjustment was made in either 1988-89 or 1989-90 as a result of actuarial reviews.

TABLE 7.6 PUBLIC SERVICE SUPERANNUATION ACCOUNT

| | 1989-90 | 1988-89 |
|---|----------------|----------------|
| | \$ | \$ |
| Opening balance | 30,609,954,534 | 27,609,499,885 |
| RECEIPTS AND OTHER CREDITS— Contributions— | | |
| Government employees | 456,316,630 | 405,918,241 |
| Retired employees Public Service corporation | 26,229,196 | 24,135,222 |
| employees | 127,128,548 | 124,831,159 |
| Government | 426,390,027 | 434,184,433 |
| Public Service corporations | 125,942,835 | 123,439,702 |
| Transfers from other pension funds | 15,229,610 | 8,572,869 |
| Interest | 3,392,533,162 | 3,075,409,386 |
| | 4,569,770,008 | 4,196,491,012 |
| | 35,179,724,542 | 31,805,990,897 |
| PAYMENTS AND OTHER CHARGES— | | |
| Annuities | 1,127,963,829 | 1,026,075,909 |
| Cash termination allowances | 200,560 | 415,443 |
| Minimum benefits | 14,005,207 | 10,472,876 |
| Government employees | 57,403,705 | 63,796,403 |
| employees | 30,967,231 | 23,619,449 |
| Transfers to other pension funds | | 71,656,283 |
| · | 1,260,167,678 | 1,196,036,363 |
| Closing balance | 33,919,556,864 | 30,609,954,534 |

Canadian Forces Superannuation Account

This account is operated under the Canadian Forces Superannuation Act.

The unamortized portion of the actuarial deficiency in the Canadian Forces Superannuation Account at the end of the current year remained as nil. No actuarial liability adjustment was made in either 1988-89 or 1989-90 as a result of actuarial reviews.

TABLE 7.7

CANADIAN FORCES SUPERANNUATION ACCOUNT

| | 1989-90 | 1988-89 |
|--|----------------|----------------|
| | \$ | s |
| Opening balance | 19,646,044,234 | 17,801,685,597 |
| RECEIPTS AND OTHER CREDITS— | | |
| Contributions from personnel | 151,574,096 | 142,172,624 |
| Contributions by the Government | 270,116,686 | 255,398,413 |
| Interest | 2,160,628,456 | 1,967,694,725 |
| Other | 3,645,715 | 3,146,830 |
| | 2,585,964,953 | 2,368,412,592 |
| | 22,232,009,187 | 20,170,098,189 |
| PAYMENTS AND OTHER CHARGES— Pensions and retiring allowance | | |
| payments | 543,360,167 | 498,917,647 |
| of contributions | 31,297,707 | 24,514,320 |
| (Treasury Board) | 1,100,409 | 628,592 |
| Other | -6,095 | -6,604 |
| | 575,752,188 | 524,053,955 |
| Closing balance | 21,656,256,999 | 19,646,044,234 |

Royal Canadian Mounted Police Superannuation Account

This account is operated under the Royal Canadian Mounted Police Superannuation Act.

The unamortized portion of the actuarial deficiency in the Royal Canadian Mounted Police Superannuation Account at the end of the current year remained as nil. No actuarial liability adjustment was made in either 1988-89 or 1989-90 as a result of actuarial reviews.

TABLE 7.8

ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACCOUNT

| | 1989-90 | 1988-89 |
|--|---------------------------|---------------------------|
| | \$ | \$ |
| Opening balance | 3,154,464,827 | 2,757,745,978 |
| RECEIPTS AND OTHER CREDITS— Contributions from personnel (current | | |
| and arrears) | 43,460,683 508,274 | 41,127,536 |
| Contributions by the Government {statutory} Interest | 70,622,347 348,681,902 | 98,693,091 307,070,075 |
| | 463,273,206 | 446,890,702 |
| The contract of the contract o | 3,617,738,033 | 3,204,636,680 |
| PAYMENTS AND OTHER CHARGES— Annuities and allowance payments | 58,890,934 | 47,863,128 |
| gratuities | 2,112,430 208,446 | 1,914,197 151,797 |
| Interest on returns of contributions | 272,476 | 242,731 |
| | 61,484,286 | 50,171,853 |
| Closing balance | 3,556,253,747 | 3,154,464,827 |

^[1] Per Treasury Board decision, only three quarters of interest were added in 1989-90.

Supplementary Retirement Benefits Account

This account was established by the Supplementary Retirement Benefits Act, to provide for the payment of increased pension benefits resulting from indexation.

Increased superannuation benefits paid during the year due to indexation amounted to \$1,060 million (\$970 million in 1988-89), of which \$966 million (\$899 million in 1988-89) represents benefits to superannuates in excess of their share of contributions to the account which has been charged to budgetary expenditure. The payments charged to budgetary expenditure on behalf of

contributors amounted to \$561 million (\$528 million in 1988-89) for the Public Service Superannuation Account of which it is estimated that \$45 million (\$43 million in 1988-89) pertains to former employees of Public Service corporations, \$376 million (\$344 million in 1988-89) for the Canadian Forces Superannuation Account, and \$29 million (\$27 million in 1988-89) for the Royal Canadian Mounted Police Superannuation Account. An amount of \$94 million (\$71 million in 1988-89) was charged to the Supplementary Retirement Benefits Account.

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TABLE 7.9
SUPPLEMENTARY RETIREMENT BENEFITS ACCOUNT (in thousands of dollars)

| | Publi | ic Service | Canadia | an Forces | | Canadian ed Police | Parliament | | Others | | | Total |
|---|-----------------------------|-----------------------------|------------------|------------------|-----------------|-----------------------|------------|------------|--------------|--------------|------------------------------|------------------------------|
| | 1989-90 | 1988-89 | 1989-90 | 1988-89 | 1989-90 | 1988-89 | 1989-90 | 1988-89 | 1989-90 | 1988-89 | 1989-90 | 1988-89 |
| Opening balance | 3,336,640 | 2,908,740 | 900,546 | 783,886 | 244,837 | 209,268 | 7,230 | 6,478 | 12,967 | 10,363 | 4,502,220 | 3,918,735 |
| RECEIPTS AND OTHER CREDITS— | | | | | | | | | | | | |
| Employee contributions— Public Service corpora- | | | | | | | | | | | | j |
| tions | 25,444 89,860 | 25,551 78,857 | 30,172 | 27,898 | 8,268 | 7,709 | 263 | 262 | 844 | 760 | 25,444 129,407 | 25,55° 115,486 |
| tions | 26,850 89,799 348,650 | 24,082 78,783 294,842 | 30,053 94,456 | 27,837 79,448 | 8,265 25,794 | 7,706 21,617 | 260 840 | 246 641 | 844 1,398 | 761 1,095 | 26,850 129,221 471,138 | 24,082 115,333 397,643 |
| funds | 315 | 162 | 17 | 2 | 84 | 35 | | | | | 416 | 199 |
| | 580,918 | 502,277 | 154,698 | 135,185 | 42,411 | 37,067 | 1,363 | 1,149 | 3,086 | 2,616 | 782,476 | 678,294 |
| | 3,917,558 | 3,411,017 | 1,055,244 | 919,071 | 287,248 | 246,335 | 8,593 | 7,627 | 16,053 | 12,979 | 5,284,696 | 4,597,029 |
| PAYMENTS AND OTHER CHARGES | | | | | | | | | | | | |
| Annuities | 72,959 | 55,441 | 18,072 | 14,204 | 2,251 | 1,080 | 426 | 249 | 19 | 12 | 93,727 | 70,986 |
| ances | 15 783 | 34 570 | | | | | | | | | 15 783 | 34 □ 19 570 |
| Public Service corpora- tions | 5,905 10,757 | 4,453 11,867 | 5,661 | 4,259 | 453 | 395 | 15 | 148 | | | 5,905 16,886 | 4,453 16,669 |
| funds | 2,049 | 2,012 | 125 | 62 | 33 | 23 | | | | | 2,207 | 2,097 |
| | 92,468 | 74,377 | 23,858 | 18,525 | 2,737 | 1,498 | 441 | 397 | 19 | 12 | 119,523 | 94,809 |
| Closing balance | 3,825,090 | 3,336,640 | 1,031,386 | 900,546 | 284,511 | 244,837 | 8,152 | 7,230 | 16,034 | 12,967 | 5,165,173 | 4,502,220 |

Allowance for Actuarial Liability for Employee Pensions

This account records the allowance for the actuarial present value of unfunded supplementary retirement benefits in respect of benefits earned or in pay, as well as for the unfunded pension liability of the federally appointed judges pension plan and Members of Parliament retiring allowances as at March 31, 1990.

Government Annuities Account

This account was established by the Government Annuities Act, and modified by the Government Annuities Improvement Act, which discontinued sales of annuities in 1975. The account is valued on an actuarial basis each year, with the deficit or surplus charged or credited to the Consolidated Revenue Fund.

The purpose of the Government Annuities Act was to assist Canadians to provide for their later years, by the purchase of Government annuities. The Government Annuities Improvement Act increased the rate of return and flexibility of Government annuity contracts.

Receipts and other credits consist of premiums received, funds reclaimed from the Consolidated Revenue Fund for previously unlocated annuitants, earned interest and items transferred from previous years' revenue to cover the actuarial deficit. Payments and other charges represent matured annuities, the commuted value of death benefits, premium refunds and withdrawals, and actuarial surpluses and unclaimed items trans-

ferred to non-tax revenue. The amounts of unclaimed annuities, related to annuitants who cannot be located, are transferred to non-tax revenue.

During the year, debts totalling \$16,930 were written-off pursuant to Employment and Immigration Vote 6c, Appropriation Act No 5, 1989-90.

Deposit and Trust Accounts

Deposit and trust accounts is a group of liabilities representing the Government's financial obligations in its role as administrator of certain moneys that it has received or collected for specified purposes and that it will pay out accordingly. To the extent that the funds received are represented by securities, these are deducted from the corresponding accounts to show the Government's net liability.

Table 7.10 presents a summary of the balances and transactions in deposit and trust accounts.

TABLE 7.10
DEPOSIT AND TRUST ACCOUNTS

| y | | | | | Net increase or decrease (-) | | |
|--|--------------|-------------------------------|-------------------------------|---------------|------------------------------|---|--|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Deposit accounts— | | | | | | | |
| Agriculture— | | | | | | | |
| Canadian Dairy Commission | | | | | | | |
| account | 41,713,247 | 670,027,861 | 690,200,596 | 21,540,512 | -20,172,735 | 8,213,073 | |
| Guarantee deposits—Canada Agricultural | ** - * | | • • | | | | |
| Products Standards Act | 1,537 | 1,600 | 2,986 | 151 | -1,386 | 800 | |
| | 41,714,784 | 670,029,461 | 690,203,582 | 21,540,663 | -20,174,121 | 8,213,873 | |
| Communications— | | | | | | | |
| Canadian Film Development | | | | | | | |
| Corporation— | | | | | | | |
| Special account ^[2] | | 21,793,780 | | 21,793,780 | 21,793,780 | | |
| Employment and Immigration— | | | | | | | |
| General security deposits | | 53,600 | | 53,600 | 53,600 | | |
| Immigration guarantee fund | 6,222,921 | 3,000,654 | 1,701,772 | 7,521,803 | 1,298,882 | 1,204,711 | |
| Less: securities held in trust | 50,000 | | | 50,000 | | | |
| | 6,172,921 | 3,000,654 | 1,701,772 | 7,471,803 | 1,298,882 | 1,204,711 | |
| | 6,172,921 | 3,054,254 | 1,701,772 | 7,525,403 | 1,352,482 | 1,204,711 | |
| Energy, Mines and Resources— | | | | | | | |
| Guarantee deposits—Oil and gas | 62,056,468 | 18,460,019 | 55,519,818 | 24,996,669 | -37,059,799 | -614,858 | |
| Less: securities held in trust | 55,283,253 | 55,469,818 | 17,254,427 | 17,067,862 | -38,215,391 | -5,256,792 | |
| | 6,773,215 | 73,929,837 | 72,774,245 | 7,928,807 | 1,155,592 | 4,641,934 | |
| External Affairs— | | | | | | | |
| Fairs and missions | 67,556 | 1,177,460 | 1,135,926 | 109,090 | 41,534 | 32,791 | |
| Finance— | | | | | | | |
| Canada Development Investment Corpora- | | | | | | | |
| tion— | | | | # #00 000 | | | |
| Canadair Limited | 5,500,000 | | | 5,500,000 | | | |
| Limited | 53,330,238 | | 53,000,000 | 330,238 | -53,000,000 | -3,829,899 | |
| Crown corporations' surplus moneys— | ,, | | ,, | | , | , | |
| St Lawrence Seaway Authority, | | | | | | | |
| The | | 13,000,000 | | 13,000,000 | 13,000,000 | -13,000,000 | |
| | 58.830.238 | 13.000.000 | 53,000,000 | 18,830,238 | -40,000,000 | -16,829,899 | |

TABLE 7.10
DEPOSIT AND TRUST ACCOUNTS—Continued

| | | Receipts and | Payments and | | Net increase or decrease (-) | | |
|---|--------------|---------------|---------------|---|------------------------------|--------------|--|
| | April 1/1989 | other credits | other charges | March 31/1990 | 1990 | 1989 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Indian Affairs and Northern Development— Field British Columbia and Yukon Opera- tions of the Northern Canada Power | | | | | | | |
| Commission | 1,380,792 | | 6,252 | 1,374,540 | -6,252 | -179,525 | |
| Guarantee deposits | 20,063,224 | 60,796,590 | 60,493,133 | 20,366,681 | 303,457 | -21,046,361 | |
| Less: securities held in trust | 19,483,756 | 60,200,245 | 60,489,305 | 19,772,816 | 289,060 | -21,157,619 | |
| | 579,468 | 120,996,835 | 120,982,438 | 593,865 | 14,397 | 111,258 | |
| Guarantee deposits— | | | | | | | |
| Reserve resources | 651,665 | 167,701 | 123,409 | 695,957 | 44,292 | 129,046 | |
| Less: securities held in trust | 50,000 | 50,000 | | 4 | -50,000 | 50,000 | |
| | 601,665 | 217,701 | 123,409 | 695,957 | 94,292 | 79,046 | |
| Guarantee deposits— | | | | 0.1800000000000000000000000000000000000 | | | |
| Rotating herds | 4,371 | | | 4,371 | | 410 | |
| Indian contributions to the subsidy housing | | | | f | | | |
| program | 19,959 | | | 19,959 | | | |
| | 2,586,255 | 121,214,536 | 121,112,099 | 2,688,692 | 102.437 | 11,189 | |
| Industry, Science and Technology— Canada Post Corporation | | | | | | , | |
| account | 29,703,085 | 2,133,484,432 | 2,156,139,887 | 7,047,630 | -22,655,455 | -478,793,913 | |
| Justice | | | | | | ., , | |
| Supreme Court of Canada— | | | | | | | |
| Security for costs | 148,256 | 45,863 | 19,330 | 174,789 | 26,533 | -28,291 | |
| National Revenue— | , | , | , | , | 20,000 | 20,27 . | |
| Customs and Excise— | | | | | | 11 | |
| Guarantee deposits | 6,170,752 | 2.006.087 | 2,359,435 | 5,817,404 | -353,348 | -4,819,207 | |
| Less: securities held in trust | 4,819,300 | 1,243,000 | 1,867,000 | 5,443,300 | 624,000 | -5,793,200 | |
| Dess. securites held in dust | 1,351,452 | 3,249,087 | 4,226,435 | 374,104 | -977,348 | 973,993 | |
| Temporary deposits received from | 1,551,452 | 3,247,007 | 7,220,733 | 374,204 | -277,540 | 913,993 | |
| importers | 1,585,036 | | 223,007 | 1,362,029 | -223,007 | -154,341 | |
| Less: deposits in special bank | 1,505,050 | | 225,007 | 1,502,027 | -225,007 | -154,541 | |
| accounts | 1,585,036 | 223,007 | | 1,362,029 | -223,007 | -154,341 | |
| accounts | 1,505,050 | 223,007 | 223,007 | 1,302,029 | -223,007 | -134,341 | |
| | 1,351,452 | 3,472,094 | 4,449,442 | 374,104 | -977.348 | 072 002 | |
| Privy Council— | 1,331,432 | 3,472,094 | 4,447,442 | 374,104 | -9//,340 | 973,993 | |
| Chief Electoral Officer—Candidates' | | | | | | | |
| election deposits | | 1 400 | 1.400 | | | | |
| Public Works— | | 1,400 | 1,400 | a a | | | |
| Harbourfront capital account [2] | 6 920 007 | 4 962 627 | 7 702 705 | 2 000 000 | 2 041 060 | 6 0 700 004 | |
| Harbourtront capital account | 6,839,097 | 4,862,637 | 7,703,705 | 3,998,029 | -2,841,068 | -2,792,834 | |
| Supply and Services— | | | | | | | |
| Contractors' security deposits (departments | | | | | | , | |
| and agencies)— | | | | | | | |
| Bonds | 7,185,771 | 5,000,000 | 3,588,000 | 8,597,771 | 1,412,000 | 392,846 | |
| Less: securities held in trust | 7,185,771 | 451,000 | 1,863,000 | 8,597,771 | 1,412,000 | 381,746 | |
| | | 5,451,000 | 5,451,000 | | | 11,100 | |
| Cash | 20,411,683 | 22,359,956 | 21,260,001 | 21,511,638 | 1,099,955 | -3,194,691 | |
| Certified cheques | 3,048,214 | 573,555 | 565,074 | 3,056,695 | 8,481 | -1,172,960 | |
| Less: securities held in trust | 3,048,525 | 531,099 | 539,269 | 3,056,695 | 8,170 | -1,172,455 | |
| | -311 | 1,104,654 | 1,104,343 | constructing and | 311 | -505 | |
| Royal Canadian Mint account | -113,906 | 26,294,543 | 26,724,524 | -543,887 | -429,981 | -35,603,833 | |
| | 20,297,466 | 55,210,153 | 54,539,868 | 20,967,751 | 670,285 | -38,787,929 | |
| otal damasit assaumts | 174 494 225 | 2 101 275 007 | 2 162 701 257 | 112 020 024 | 61 505 240 | 500 154 205 | |
| otal deposit accounts | 174,484,325 | 3,101,275,907 | 3,162,781,256 | 112,978,976 | -61,505,349 | -522,154,375 | |

TABLE 7.10 DEPOSIT AND TRUST ACCOUNTS-Concluded

| | | | 1 | March 31/1990 | Net increase or decrease (-) | |
|--|---|-----------------------------|-------------------------------|-----------------------------|------------------------------|--------------------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| rust accounts— | | | | | | |
| Finance— | | | | | | |
| Halifax 1917 explosion pension account Less: securities held in trust | 807,754 100,000 | 80,621 | 131,849 | 756,526 100,000 | -51,228 | -61,73 |
| | 707,754 | 80,621 | 131,849 | 656,526 | -51,228 | -61,73 |
| Indian Affairs and Northern Development— Indian band funds— | 707,73 | 00,021 | 101,017 | 300,020 | 0,,,,,, | 01,70 |
| Capital accounts, Table 7.11 | 743,791,232 | 70,701,840 | 62,760,474 | 751,732,598 | 7,941,366 | 5,733,32 |
| Revenue accounts, Table 7.12 | 101,656,724 | 104.476.406 | 102,504,864 | 103,628,266 | 1,971,542 | -8.244.23 |
| Revenue accounts, Table 7.12 | | | | | | |
| | 845,447,956 | 175,178,246 | 165,265,338 | 855,360,864 | 9,912,908 | -2,510,90 |
| Indian estate accounts | 18,568,573 | 6,637,651 | 6,529,373 | 18,676,851 | 108,278 | 101,35 |
| Less: securities held in trust | 113 | | 1,700 | 1,813 | 1,700 | |
| | 18,568,460 | 6,637,651 | 6,531,073 | 18,675,038 | 106,578 | 101,35 |
| Indian savings accounts | 147,727,102 | 18,080,871 | 11,358,127 | 154,449,846 | 6,722,744 | 7,320,83 |
| | 1,011,743,518 | 199,896,768 | 183,154,538 | 1,028,485,748 | 16,742,230 | 4,911,28 |
| National Defence— | 1,011,7 10,010 | 1,,,0,0,0 | 100,101,000 | 1,020,100,710 | 10,7 (2,200 | .,,,,,,,,,, |
| Estates—Armed services | 265,011 | 1,520,600 | 1,566,132 | 219,479 | -45,532 | -22,52 |
| Canadian Security Intelligence Service— | | | | | | |
| | 12 505 | 1.540 | | 15 105 | 1.540 | 1.14 |
| Meritorious graduate awards | 13,585 | 1,540 | 200 | 15,125 | 1,540 | 1,14 |
| Scholastic awards Correctional Service— | 16,889 | 1,874 | 900 | 17,863 | 974 | 59 |
| Inmates' trust fund | 4,782,339 | 19,827,697 | 19,236,420 | 5,373,616 | 591,277 | 223,87 |
| Benefit fund | 2,169,801 | 317,626 | 165,648 | 2,321,779 | 151,978 | 51,17 |
| | 6,982,614 | 20,148,737 | 19,402,968 | 7,728,383 | 745,769 | 276,78 |
| Transport— | | | | | | |
| Canadian National (West Indies) | | | | | | |
| Steamships Ltd ⁽²⁾ Veterans Affairs— | 95,000 | | | 95,000 | | |
| Administered trust accounts | 19,590,016 | 5,564,645 | 6,847,814 | 18,306,847 | -1,283,169 | -2,978,23 |
| | , | , , | | • | , , | |
| Estates fund | 1,000,841 | 1,855,489 | 2,373,862 | 482,468 | -518,373 | -135,30 |
| trust fund | 1,072,506 | 559,802 | 315,111 | 1,317,197 | 244,691 | 10,50 |
| Less: securities held in trust | 329,676 | 66,040 | 52,716 | 316,352 | -13,324 | -9,21 |
| | 742,830 | 625,842 | 367,827 | 1,000,845 | 258,015 | 19,71 |
| Veterans care trust | | | | | | |
| accounts Less: securities held in trust | 12,167,496 95 | 2,660,190 | 3,550,073 | 11,277,613 95 | -889,883 | -627,22 |
| | 12,167,401 | 2,660,190 | 3,550,073 | 11,277,518 | 889,88 <i>3</i> | -627.22 |
| | 33,501,088 | 10,706,166 | 13,139,576 | 31,067,678 | -2,433,410 | -3,721,04 |
| Accounts without current transactions | | 10,700,100 | 13,139,370 | 31,007,078 | -2,433,410 | -3,721,04 -725,98 |
| otal trust accounts | 1,053,294,985 | 232,352,892 | 217,395,063 | 1,068,252,814 | 14,957,829 | 656,78 |
| otaless: consolidation adjustment ^[2] | 1,227,779,310 ^{1} 6,934,097 | 3,333,628,799 26,656,417 | 3,380,176,319 7,703,705 | 1,181,231,790 25,886,809 | -46,547,520 18,952,712 | -521,497,59 -2,792,83 |
| otal deposit and trust accounts | 1,220,845,213 | 3,306,972,382 | 3,372,472,614 | 1,155,344,981 | -65,500,232 | -518,704,75 |
| otal acposit and trust accounts | 1,440,043,413 | 3,300,714,364 | 3,312,412,014 | 1,100,044,701 | -05,500,452 | -510,704,75 |

^{[1](}a) Certain accounts having a total opening balance of \$36,264,262 reported in this table in 1988-89 are now shown in Table 7.14 in this section.

⁽b) Certain accounts having a total opening balance of \$3,337,363 reported in this table in 1988-89 are now shown in Table 7.14 in this section.

(c) Certain accounts having a total opening balance of \$3,337,363 reported in this table in 1988-89 are now shown in Table 5.7 (Section 5 of this volume).

(a) In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

Canadian Dairy Commission account

The Canadian Dairy Commission is a Crown corporation listed in Part I of Schedule III of the Financial Administration Act, and uses the Consolidated Revenue Fund for banking purposes. This account was established by Section 15 of the Canadian Dairy Commission Act, to record the Government's liability to the Commission.

Guarantee deposits—Canada Agricultural Products Standards Act

This account was established to record bonds deposited as guarantees required by the Canada Agricultural Products Standards Act and the Licensing and Arbitration Regulations.

Special account—Canadian Film Development Corporation

This account was established pursuant to Section 21 of the Financial Administration Act, to record a special deposit received by Telefilm Canada.

During the year, interest was credited to the account and charged to interest on public debt.

General security deposits

This account was established pursuant to Section 21 of the Financial Administration Act, to receive security deposits from transportation companies that do not pay fines when improperly documented passengers are brought in Canada.

Immigration guarantee fund

This account was established by Sections 18, 23, 92 and 103 of the Immigration Act, to record amounts collected and held pending final disposition, either by refund to the original depositor, or forfeiture to the Crown.

Guarantee deposits—Oil and gas

This account records securities in the form of cash, promissory notes, letters of credit and letters of guarantee which are required to be issued to, and held by the Government of Canada pursuant to a signed Exploration Agreement in accordance with Section 74 of the Canada Petroleum Resources Act. These securities are a performance guarantee that the agreed exploration will be performed in the manner and time frame specified. Interest is not paid on these deposits.

Fairs and missions

This account was established pursuant to Section 21 of the Financial Administration Act, to record deposits which may be refunded, in part or in total, in accordance with contractual agreements concerning the participation of Canadian sector enterprises at international trade fairs.

Canadair Limited—Canada Development Investment Corporation

This account was established pursuant to Section 129(1) of the Financial Administration Act. This special purpose money is to be used to meet costs incurred on the sale of Canadair and demand for payment by Bombardier pursuant to the acquisition agreement and costs incurred by the Canada Development Investment Corporation in connection with the sale of the shares of Canadair.

The de Havilland Aircraft of Canada, Limited—Canada Development Investment Corporation

This account was established pursuant to Section 129(1) of the Financial Administration Act. This special purpose money is to be used to satisfy demands for payment by the Boeing Company pursuant to the acquisition agreement and costs incurred by the Canada Development Investment Corporation in connection with the sale of the shares of The de Havilland Aircraft of Canada, Limited.

Crown corporations' surplus moneys

These accounts were established pursuant to Section 129(1) of the Financial Administration Act, to record moneys received from Crown corporations as directed by the Minister of Finance with the concurrence of the appropriate Minister. Interest can be paid in accordance with and at rates fixed by the Minister of Finance with the approval of the Governor in Council.

Field British Columbia and Yukon Operations of the Northern Canada Power Commission

This account was established pursuant to Section 21 of the Financial Administration Act, to record amounts deposited by the Northern Canada Power Commission to reimburse liabilities pertaining to Field British Columbia and Yukon Operations of the Northern Canada Power Commission.

Guarantee deposits—Indian Affairs and Northern Development

Pursuant to Section 8 of the Arctic Waters Pollution Prevention Act, Section 29 of the Northern Inland Waters Act and Sections 12 and 18 of the Territorial Lands Act, this account records cash and securities deposited as guarantees for oil, mineral and timber rights and licences. Interest is not allowed on cash deposits.

Guarantee deposits—Reserve resources

This account was established pursuant to Section 21 of the Financial Administration Act, to record cash and bond security deposits with respect to Indian reserve licences and contracts for the development of resources, pursuant to the provisions of Section 57 of the Indian Act.

During the year, interest was credited to the account and charged to interest on public debt.

Guarantee deposits—Rotating herds

This account was established pursuant to Section 21 of the Financial Administration Act, to record guarantee deposits given by Indians who sign herd agreements under the rotating herd program.

Indian contributions to the subsidy housing program

This account was established pursuant to Section 21 of the Financial Administration Act, to record amounts deposited by Indians, to ensure compliance with terms and conditions of the subsidy housing program.

Canada Post Corporation account

The Canada Post Corporation is a Crown corporation listed in Part I of Schedule III of the Financial Administration Act.

This account records the Government's liability to the Corporation.

During the year, interest was credited to the account and charged to interest on public debt.

Security for costs

This account records security to the value of \$500 deposited by the Appellant with the Registrar of the Supreme Court of Canada in accordance with Section 60(1)(b) of the Supreme Court Act. As per Section 66 of the Rules of the Supreme Court of Canada, interest is paid on money deposited as security.

Guarantee deposits—Customs and Excise

Pursuant to Section 166 of the Customs Act, cash and securities are collected to guarantee payment of customs duties and excise taxes on imported goods, and of sales and excise taxes payable by licensees.

Temporary deposits received from importers

This account was established pursuant to Section 21 of the Financial Administration Act, to record temporary security deposits received from importers to ensure compliance with various departmental (Customs and Excise) regulations regarding temporary entry of goods.

Candidates' election deposits

This account records candidates' election deposits, received in respect of a general election or by-elections, less amounts refunded to candidates, or transferred to non-tax revenue, pursuant to the provisions of the Canada Elections Act.

During the year, \$800 was transferred to non-tax revenue.

Harbourfront capital account

This account was established pursuant to Section 21 of the Financial Administration Act, to record funds received from and held for Harbourfront Corporation regarding moneys derived from the capitalized leasing, sale or resale of lands or development rights.

During the year, interest was credited to the account and charged to interest on public debt.

Contractors' security deposits

This account was established pursuant to Section 20 of the Financial Administration Act, to record contractors' securities that are required for the satisfactory performance of work in accordance with the Government Contracts Regulations.

During the year, interest was credited to the account and charged to interest on public debt.

Royal Canadian Mint account

The Royal Canadian Mint is a Crown corporation listed in Part II of Schedule III of the Financial Administration Act.

This account records the Government's liability to the Mint.

The debit balance in the account was incurred when retroactive salary revisions were paid to employees as a result of collective bargaining.

Halifax 1917 explosion pension account

This account was established by Sections 4, 5 and 6 of the Halifax Relief Commission Pension Continuation Act, to provide for the continuation of pensions, grants and allowances following the dissolution of the Halifax Relief Commission.

During the year, interest was credited to the account and charged to interest on public debt.

Indian band funds

The Indian band funds were established by Sections 61 to 69 of the Indian Act and represent moneys belonging to Indian bands throughout Canada.

During the year, interest was credited to the account and charged to interest on public debt.

TABLE 7.11
INDIAN BAND FUNDS—CAPITAL ACCOUNTS

| _ | 1989-90 | 1988-89 |
|---|-------------|-------------|
| | \$ | \$ |
| | | |
| Opening balance | 743,791,232 | 738,057,907 |
| RECEIPTS AND OTHER CREDITS— | | |
| Oil royalties | 24,851,407 | 26,464,783 |
| Gas royalties | 37,118,895 | 40,975,231 |
| British Columbia agreement Land and other claim | 289,018 | 323,040 |
| settlements | 3,028,400 | 3,844,749 |
| Sundries | 5,414,120 | 7,876,247 |
| | 70,701,840 | 79,484,050 |
| - | 814,493,072 | 817,541,957 |
| PAYMENTS AND OTHER CHARGES— | | |
| Per capita cash distribu- tion | 12,010,916 | 19,255,134 |
| Indian Act | 46,236,509 | 52,593,676 |
| Sundries | 4,513,049 | 1,901,915 |
| | 62,760,474 | 73,750,725 |
| Closing balance | 751,732,598 | 743,791,232 |

TABLE 7.12
INDIAN BAND FUNDS—REVENUE ACCOUNTS

| 1989-90 | 1988-89 |
|-------------------------|---|
| \$ | \$ |
| 101,656,724 | 109,900,957 |
| 78,240,649 | 83,166,307 |
| 8,994,401 17,241,356 | 2,366,000 13,227,665 |
| 104,476,406 | 98,759,972 |
| 206,133,130 | 208,660,929 |
| | |
| 2,922,827 | 1,336,394 |
| 91,860,639 7,721,398 | 104,093,599 1,574,212 |
| 102,504,864 | 107,004,205 |
| 103,628,266 | 101,656,724 |
| | \$ 101,656,724 78,240,649 8,994,401 17,241,356 104,476,406 206,133,130 2,922,827 91,860,639 7,721,398 102,504,864 |

Indian estate accounts

These accounts were established by Sections 42, 43, 51 and 61 of the Indian Act, to record the estates of deceased Indians, minor Indian children who have guardians, or mentally incompetent Indians.

During the year, interest was credited to the accounts and charged to interest on public debt.

Indian savings accounts

Pursuant to Section 52 of the Indian Act, savings accounts are maintained for individual Indians.

During the year, interest was credited to the accounts and charged to interest on public debt.

Estates—Armed services

Pursuant to Section 42 of the National Defence Act, this account is credited with the service estates of deceased members of the Canadian Forces. Net assets of estates are distributed to legal heirs under the administration of the Judge Advocate General, in his capacity as Director of Estates.

Meritorious graduate awards

This account was established pursuant to Section 21 of the Financial Administration Act, to record a donation of \$11,000 to be used for the presentation of meritorious awards to graduating employees.

During the year, interest was credited to the account and charged to interest on public debt.

Scholastic awards

This account was established pursuant to Section 21 of the Financial Administration Act, to record a donation of \$15,000 to be used for the presentation of scholarship awards to children of employees of the Canadian Security Intelligence Service to encourage university studies.

During the year, interest was credited to the account and charged to interest on public debt.

Inmates' trust fund

Pursuant to Section 32 of the Penitentiary Regulations, this account is credited with moneys received from inmates at the time of incarceration, net earnings of inmates from employment inside institutions, moneys received for inmates while in custody, moneys received from sales of hobbycraft, money earned through work while on day parole, and interest. Payments to assist in the reformation and rehabilitation of inmates are charged to this account.

During the year, interest was credited to the account and charged to interest on public debt.

Benefit fund

Pursuant to Section 23 of the Royal Canadian Mounted Police Act, this account records moneys received by personnel of the Royal Canadian Mounted Police, in connection with the performance of duties, over and above their pay and allowances.

During the year, interest was credited to the account and charged to interest on public debt.

Canadian National (West Indies) Steamships Ltd

This account was established pursuant to Section 129(1) of the Financial Administration Act, to record a deposit by the Canadian National (West Indies) Steamships Ltd, covering a transfer of funds to be held pending the wind-up of the Corporation.

During 1985-86, the Corporation was authorized to be dissolved pursuant to the Crown Corporations Dissolution Authorization Act.

Administered trust accounts

Pursuant to Section 41 of the Pension Act and Section 15 of the War Veterans Allowance Act, these accounts are under the jurisdiction of the Canadian Pension Commission and the Department. Moneys held in these accounts include: (a) pensions placed under the administration of the Canadian Pension Commission; (b) war veterans and civilian war allowances and assistance fund payments placed under the administration of the Department of Veterans Affairs; and, (c) benefits from other sources such as Old Age Security, Guaranteed Income Supplement or Canada Pension Plan, placed under administration with the consent of the client. These persons have demonstrated the inability to manage their own affairs.

Payments are made out of the accounts, to provide food, shelter, clothing, comforts and other necessities.

Estates fund

Pursuant to Sections 5, 6 and 7 of the Veterans' Estates Regulations, this account is credited with the proceeds from the estates of those veterans who died while receiving hospital treatment or institutional care. Individual accounts are maintained and payments are made to beneficiaries.

During the year, interest was credited to the account and charged to interest on public debt.

Veterans administration and welfare trust fund

Pursuant to Section 9 of the Guardianship of Veterans' Property Regulations, moneys held in this account include: (a) donations, legacies, gifts, bequests, etc, received, to be disbursed for the benefit of veterans or their dependents under certain conditions, and for the benefit of patients in institutions; and, (b) donations, legacies, gifts, bequests, etc, received by the Canadian Pension Commission, to be disbursed for the use of pensioners or dependents in distressed circumstances.

During the year, interest was credited to the account and charged to interest on public debt.

Veterans care trust accounts

Pursuant to Section 5 of the Department of Veterans Affairs Act, if the Minister of Veterans Affairs so directs, a client receiving adult residential care service or nursing home intermediate care service assigns or pays any or all of his income and resources, to be administered in the manner prescribed. Moneys held in these individual accounts may include: (a) war service gratuities held for mental, tubercular and other long-term treatment cases; (b) pensions paid by the Canadian Pension Commission; (c) war veterans and civilian war allowances; and, (d) income from other sources such as Old Age Security, Guaranteed Income Supplement and retirement pensions. The moneys are used to pay the charges for board and lodgings, and to provide clothing, comforts and other necessities.

Provincial Tax Collection Agreements Account

This account records income taxes collected by the Government of Canada on behalf of provinces and territories participating in the joint-collection provision of the Federal-Provincial Fiscal Arrangements Act, and related payments made to them.

Under the Federal-Provincial Fiscal Arrangements Act, the Government of Canada is empowered to enter into agreements with provincial and territorial governments, to collect income taxes on their behalf, and to make payments to them with respect to such taxes.

The Government of Canada entered into agreements with provinces and territories (Quebec excepted), to collect individual income tax, and, with provinces and territories (Ontario and

Quebec excepted), to collect corporation income tax, and, to pay in equal monthly instalments to such provinces and territories, the estimated revenue to be produced by the respective provincial and territorial taxes.

At the beginning of each year, the Minister of Finance estimates the amount of the payments, for the taxation year ending in that year, to provinces and territories that have entered into agreements. These estimates are adjusted to actual amounts at a later date. Adjustments are to be made not later than March 31 of the year following that in which the taxation year ends.

Table 7.13 presents a summary of the balances and transactions in the provincial tax collection agreements account.

TABLE 7.13
PROVINCIAL TAX COLLECTION AGREEMENTS ACCOUNT

| | | | | | Net increase or decrease (-) | |
|---|-----------------|----------------------------|-------------------------------|-----------------|------------------------------|----------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Corporation income taxes collected by National Revenue— | | | | 1 | | |
| Taxation | 15,517,656,108 | 1,614,120,008 | 80,000 | 17,131,696,116 | 1,614,040,008 | 1,399,829,382 |
| Less: payments to provinces and territories— | | | 1 | (L) | 10 | 9 |
| Newfoundland | 702,706,196 | 9,022,645 | 65,597,000 | 759,280,551 | 56,574,355 | 57,168,267 |
| Prince Edward Island | 127,524,890 | 7,695,551 | 16,971,000 | 136,800,339 | 9,275,449 | 23,530,909 |
| Nova Scotia | 1,126,218,637 | 3,806,904 | 132,965,000 | 1,255,376,733 | 129,158,096 | 152,620,993 |
| New Brunswick | 915,515,900 | 3,000,304 | 115,118,003 | 1,030,633,903 | 115,118,003 | 119,591,289 |
| | | 41 206 171 | | | | |
| Manitoba | 2,044,748,992 | 41,206,171 | 203,005,000 | 2,206,547,821 | 161,798,829 | 207,541,724 |
| Saskatchewan | 1,702,433,190 | 33,355,920 | 141,714,000 | 1,810,791,270 | 108,358,080 | 134,541,620 |
| Alberta | 2,523,013,280 | 1,340,271 | | 2,521,673,009 | -1,340,271 | -12,495,164 |
| British Columbia | 6,018,450,887 | | 666,300,254 | 6,684,751,141 | 666,300,254 | 600,269,686 |
| Yukon Territory | 23,260,333 | | 6,514,908 | 29,775,241 | 6,514,908 | 5,981,337 |
| Northwest Territories | 97,782,324 | 197,920 | 14,167,000 | 111,751,404 | 13,969,080 | -7,238,547 |
| Total payments | 15,281,654,629 | 96,625,382 | 1,362,352,165 | 16,547,381,412 | 1,265,726,783 | 1,281,512,114 |
| Collections of corporation income tax on | | | | | | |
| hand | 236,001,479 | 1,710,745,390 | 1,362,432,165 | 584,314,704 | 348,313,225 | 118,317,268 |
| Personal income taxes collected by National Revenue— | | | | | | |
| Taxation | 161,852,176,796 | 22,583,510,338 | 5,197,671 | 184,430,489,463 | 22,578,312,667 | 19,441,880,259 |
| Less: payments to provinces and territories— | | | | | | |
| Newfoundland | 3,280,595,116 | | 406,991,975 | 3,687,587,091 | 406,991,975 | 356,090,143 |
| Prince Edward Island | 656,577,590 | | 99,389,064 | 755,966,654 | 99,389,064 | 86,004,838 |
| Nova Scotia | 6,257,048,465 | | 802,327,475 | 7,059,375,940 | 802,327,475 | 740,553,764 |
| New Brunswick | 4,642,932,767 | | 607,632,168 | 5,250,564,935 | 607,632,168 | 540,661,038 |
| Ontario | 84,749,391,538 | | 13,517,770,573 | 98,267,162,111 | 13,517,770,573 | 11,686,834,568 |
| | | 23,233,033 | | 8,582,864,368 | 938.851.967 | 913,985,473 |
| Manitoba | 7,644,012,401 | , | 962,085,000 | | | |
| Saskatchewan | 7,800,898,703 | 14,936,031 | 913,352,000 | 8,699,314,672 | 898,415,969 | 850,328,621 |
| Alberta | 18,820,446,189 | | 2,487,224,415 | 21,307,670,604 | 2,487,224,415 | 2,055,082,748 |
| British Columbia | 25,972,172,531 | * | 3,451,570,222 | 29,423,742,753 | 3,451,570,222 | 2,995,338,703 |
| Yukon Territory | 159,926,352 | | 26,731,573 | 186,657,925 | 26,731,573 | 21,181,040 |
| Northwest Territories | 338,426,258 | 120,000 | 57,303,181 | 395,609,439 | 57,183,181 | 45,311,024 |
| Total payments | 160,322,427,910 | 38,289,064 | 23,332,377,646 | 183,616,516,492 | 23,294,088,582 | 20,291,371,960 |
| Collections of personal income tax on | | | | | | |
| hand | 1,529,748,886 | 22,621,799,402 | 23,337,575,317 | 813,972,971 | -715,775,915 | -849,491,701 |
| Total | 1,765,750,365 | 24,332,544,792 | 24,700,007,482 | 1,398,287,675 | -367,462,690 | -731,174,433 |

Other Specified Purpose Accounts

There are a number of other specified purpose accounts operated by the Government, such as insurance, death benefit and pension accounts.

Table 7.14 presents a summary of the balances and transactions for all other specified purpose accounts.

TABLE 7.14OTHER SPECIFIED PURPOSE ACCOUNTS

| | | Descints and | Payments and other charges | | Net increase or decrease (-) | |
|---|------------------|---|----------------------------|--------------------------------------|------------------------------|-------------|
| | April 1/1989 | Receipts and other credits | | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| insurance and death benefit accounts- | | | | | | |
| Finance— | | | | | | |
| Office of the Superintendent of Financial | | | | | | |
| Institutions— | | | | | | |
| Civil service insurance | | 202 744 | 500.050 | 44 460 600 | 200 (50 | 400 = 0 |
| fund | 11,798,297 | 393,714 | 723,373 | 11,468,638 | -329,659 | -198,734 |
| National Defence— | | | | , | | |
| Regular forces death benefit account, Table 7.15 | 95.819.641 | 21,763,967 | 8.627,502 | 108,956,106 | 13,136,465 | 10,582,949 |
| Treasury Board— | 93,019,041 | 21,703,907 | 0,027,302 | 108,930,100 | 13,130,403 | 10,382,949 |
| Public Service death benefit account, | | | | | | |
| Table 7.16 | 527,522,877 | 125,869,617 | 37,022,020 | 616,370,474 | 88,847,597 | 79,572,685 |
| Veterans Affairs— | 021,022,011 | 123,003,017 | 37,022,020 | 010,570,474 | 00,047,577 | 77,572,005 |
| Returned soldiers' insurance fund | 749,223 | 2,209 | 87.837 | 663,595 | -85,628 | -107,709 |
| Veterans insurance fund | 21,210,168 | 707,703 | 1,608,198 | 20,309,673 | -900,495 | -928,067 |
| | 21,959,391 | 709,912 | 1,696,035 | 20,973,268 | -986,123 | -1,035,776 |
| Total insurance and death benefit | - | | | | | |
| accounts | 657,100,206 | 148,737,210 | 48,068,930 | 757,768,486 | 100,668,280 | 88,921,124 |
| | | | , | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | ,, | 33,121,121 |
| Pension accounts— | | | | | | |
| Employment and Immigration— Annuities agents' pension | | | | | | |
| account | 24.028 | 7,247 | 13,084 | 18,191 | -5.837 | -5,573 |
| Parliament— | 24,020 | 1,241 | 13,004 | 10,171 | -5,657 | -3,575 |
| Members of Parliament retiring allowances | | | | | | |
| account, Table 7.17 | 29,254,221 | 7,310,481 | 6,347,357 | 30,217,345 | 963,124 | 474,837 |
| Solicitor General— | , | .,, | -,, | , , | , | , |
| Royal Canadian Mounted Police- | | | | | | |
| Dependants' pension fund | 17,905,337 | 1,945,285 | 775,522 | 19,075,100 | 1,169,763 | 1,124,716 |
| Treasury Board— | | | | | | |
| Locally-engaged contributory pension | | | | | | |
| account | 1,690,326 | 260,153 | 1,883,912 | 66,567 | -1,623,759 | -372,195 |
| Retirement fund | 5,303 | | | 5,303 | | |
| | 1,695,629 | 260,153 | 1,883,912 | 71,870 | -1,623,759 | -372,195 |
| Total pension accounts | 48,879,215 | 9,523,166 | 9,019,875 | 49,382,506 | 503,291 | 1,221,785 |
| Other accounts— | | | | | | |
| Agriculture— | | | | | | |
| Canada/Provinces | | | | | | |
| livestock drought | | | | | | |
| agreements | 3,291,000 | 1,314,815 | 4,605,815 | | -3,291,000 | 3,291,000 |
| Canada/Saskatchewan agricultural | | | | | | |
| community water | 50.000 | 220 552 | 25/ 222 | 15.152 | 27 (70 | 242 446 |
| infrastructure | 52,832 82,743 | 238,553 5,750 | 276,232 88,493 | 15,153 | -37,679 -82,743 | 342,446 |
| Carman diversion project | 02,743 | 3,730 84,776 | 00,493 | 84,776 | 84,776 | |
| Cost-shared agreements—Research | 199,802 | 999,816 | 630,693 | 568,925 | 369,123 | 199,802 |
| Fees paid in advance—Importation of | 177,002 | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 050,075 | 500,725 | 207,123 | 1,,,,,,,,,, |
| foreign cattle ^{3} | | | | | | |
| foreign cattle ^{3} | | | | | | |
| | 3,626,377 | | | | -2.957.523 | |

TABLE 7.14
OTHER SPECIFIED PURPOSE ACCOUNTS—Continued

| | | Receipts and | Payments and | | Net increase or o | lecrease (-) |
|--|--------------------------------|----------------------|-------------------------|----------------------------|--------------------|--------------------|
| | April 1/1989 | other credits | other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | S | \$ |
| Communications— Canadian Film Development Corporation— | | | | | | |
| Advance account (4) | 5,537,014 | 400,865 | | 5,937,879 | 400,865 | 301,341 |
| Shared-cost projects | 5,537,014 | 4,095 404,960 | 660 660 | 3,435 5,941,314 | 3,435 404,300 | 301,341 |
| Consumer and Corporate Affairs— Deposit account | 173,892 | 1,067,001 | 1,046,680 | 194,213 | 20,321 | 13,812 |
| Treaty Income from securities in trust—Bankruptcy | | 308,602 | 196,525 | 112,077 | 112,077 | - |
| Act ^[1] Securities in trust—Bankruptcy Act ^[1] Less: securities held in trust ^[1] | 76,024 31,266 31,266 | 3,327 | | 79,351 31,266 31,266 | 3,327 | 3,757 |
| Unclaimed dividends and undistributed assets— | | | | | | |
| Bankruptcy Act ^[1] Canada Business Corporations Act ^[1] Winding-up Act ^[1] | 2,697,638 96,394 692,625 | 1,014,294 122,106 | 187,629 1,744 162 | 3,524,303 216,756 | 826,665 120,362 | -71,513 |
| Winding-up Act | 3,736,573 | 2,515,330 | 1,432,740 | 692,463 4,819,163 | -162 1,082,590 | 207,459 153,515 |
| Employment and Immigration— Canadian jobs strategy | | | | | , | - |
| program Summer employment—Experience | 116,380 | 615,980 | 562,422 | 169,938 | 53,558 | -409,843 |
| development program | 107,334 | 565,230 | 674,126 | -1,562 | -108,896 | 102,385 |
| program | 25,500 249,214 | 167,039 1,348,249 | 192,539 1,429,087 | 168,376 | -25,500 -80,838 | 2,925 -304,533 |
| Energy, Mines and Resources— Continental geoscience division— | | | | | | 71 |
| Ontario Hydro | | 117,779 | 64,185 | 53,594 | 53,594 | |
| Research agreements | | 308,000 | | 308,000 | 308,000 | |
| Alberta | 28,502,749 | 636,275 | 1,796,650 | 27,342,374 | -1,160,375 | -881,838 |
| Shared-cost project | | 30,000 | 30,000 | | | |
| account | | 75 | | 75 | 75 | |
| and Development | 56,636 28,559,385 | 136,386 1,228,515 | 114,032 2,004,867 | 78,990 27,783,033 | 22,354 -776,352 | 53,248 -828,590 |
| Environment— Forks sculpture contest | | | | Mayor Major | | |
| account | 94,923 | 20,000 | | 114,923 | 20,000 | 94,923 |
| Site | | 502,437 | 502,437 | | | |
| program | 2,515,076 | 60,000 4,952,399 | 3,869 4,352,916 | 56,131 3,114,559 | 56,131 599,483 | 482,484 |
| Parks Program—Mackenzie King trust account [1] | | | | | 377,483 | |
| trust account | 270,275 2,880,274 | 6,844 5,541,680 | 6,844 4,866,066 | 270,275 3,555,888 | 675,614 | -6,669 570,738 |

TABLE 7.14
OTHER SPECIFIED PURPOSE ACCOUNTS—Continued

| | | Deceipts and | Dayments and | | Net increase or decrease (-) | |
|---|--------------------------------|----------------------------|----------------------------|-------------------------|------------------------------|------------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| External Affairs- | | | | | | |
| Canada Foundation account [1] Less: securities held in trust [1] | 289,391 | 51,587 | 32,535 | 308,443 | 19,052 | -71,98 |
| Less: securities held in trust 111 | 283,341 | 196,669 | 206,128 | 292,800 | 9,459 | -32,61 |
| deposits in a special bank | | | *** | 4 7 6 4 5 | 0.500 | |
| account ^{1} | 6,050 | 211,615 <i>459,871</i> | 221,208 <i>459,871</i> | 15,643 | 9,593 | -39,36 |
| Cost recoverable technical assistance | | 439,071 | 459,071 | | | |
| program | 50,114 | 155,018 | 148,168 | 56,964 | 6,850 | -277,05 |
| Economic summit account | 10,223 | | | 10,223 | -, | 10,22 |
| Canadian International Development | , | | | , | | |
| Agency— | | | | | | |
| Guarantee deposits | 74,025 | 9,043 | | 83,068 | 9,043 | -69,74 |
| Canadian International Development | | | | | | |
| Agency— | | | | | | |
| International agencies—Travel | | | | | | |
| account ⁽¹⁾ | 31,283 | | 31,283 | | -31,283 | |
| | 165,645 | 623,932 | 639,322 | 150,255 | -15,390 | -336,57 |
| Finance— | | | | | | |
| Common school funds—Ontario and | | | | | | |
| Quebec'' | 2,677,771 | | | 2,677,771 | | |
| Quebec ^{{1} Foreign claims fund ^{1} | 142,696 | 19,505 | 6,750 | 155,451 | 12,755 | -1,33 |
| War claims fund— World War II ^[1] | 4.116 | 22 | 12 | 4.105 | 0 | 2 |
| World War II | 4,116 | 22 | 13 | 4,125 | 9 | 3 |
| | 2,824,583 | 19,527 | 6,763 | 2,837,347 | 12,764 | -1,29 |
| Fisheries and Oceans— | | | | | | |
| Great Lakes Fishery Commission— | 276,223 | 2 726 120 | 2 000 266 | 112 007 | 162 126 | 122.72 |
| Lamprey research and control ^{1} Miscellaneous projects deposits | 574,104 | 2,726,130 1,596,960 | 2,889,266 1,749,224 | 113,087 421,840 | -163,136 -152,264 | 132,72 304,63 |
| Miscellaneous projects deposits | 850,327 | 4,323,090 | 4,638,490 | 534,927 | -315,400 | 437,35 |
| Earnester. | 030,327 | 4,323,090 | 4,030,490 | 337,747 | ~313,400 | 437,33 |
| Forestry— Miscellaneous projects deposits | 158,163 | 445,698 | 487,480 | 116,381 | -41,782 | -15,346 |
| National forestry awareness | 130,103 | 445,070 | 407,400 | 110,501 | 41,702 | 13,54 |
| campaign | 17,637 | | 17,637 | | -17,637 | -717,84 |
| van.pa.g | 175,800 | 445,698 | 505,117 | 116,381 | -59,419 | -733,18 |
| Indian Affairs and Northern Development- | | | | | | |
| Fines—Indian Act | 511,351 | 68,696 | 51,462 | 528,585 | 17,234 | -88,53 |
| Indian agencies revenue trust bank | | | | | | |
| accounts [1] | 87,893 | 3,911,761 | 3,919,202 | 80,452 | -7,441 | -22,72 |
| Less: deposits in special bank | | | | | | |
| accounts {1 f | 87,893 | 3,919,202 | 3,911,711 | 80,402 | -7,491 | -22,92 |
| | | 7,830,963 | 7,830,913 | 50 | 50 | 20 |
| Indian band funds— | | | | | | |
| Shares and certificates ^{1} | 20,000 | | | 20,000 | | |
| Less: securities held in trust | 20,000 | | | 20,000 | | |
| Indian compensation funds {1} | 170.020 | 17 252 | 215 | 100.066 | 17 120 | 12.07 |
| Indian compensation funds | 170,928 | 17,353 | 215 | 188,066 | 17,138 | 13,87 |
| Indian moneys suspense | 9 724 254 | 10,597,200 | 0.191.212 | 10,140,342 | 1,415,988 | -2,242,13 |
| account ^[1] Indian special accounts ^[1] 1924 Ontario lands agreement ^[1] | 8,724,354 | | 9,181,212 | 1,180,183 | 101,218 | 123,91 |
| 1024 Optobe lands agreement[1] | 1,078,965 | 456,542 625,260 | 355,324 | , , | 625,269 | 1,779,18 |
| 1924 Ontario lands agreement | 6,158,732 <i>16,644,330</i> | 625,269 19,596,023 | 17,419,126 | 6,784,001 18,821,227 | 2,176,897 | -413,49 |
| Industry, Science and Technology | 10,044,550 | 19,590,025 | 17,419,120 | 10,021,427 | 2,170,097 | 713,79 |
| Tourism cost-sharing agreements | | 60,151 | | 60,151 | 60,151 | |
| Canadian Space Agency— | | 00,131 | | 00,151 | 00,151 | |
| Radarsat | | 5,481,310 | | 5,481,310 | 5,481,310 | |
| Statistics Canada— | | 0,101,010 | | 5,.01,510 | 2,.01,010 | |
| Advance payments | 2,876,900 | 21,998,762 | 21,464,486 | 3,411,176 | 534,276 | 1,346,29 |
| National Research Council— | , , | , , | | , , | | |
| Trust fund | 836,047 | 1,738,708 | 917,904 | 1,656,851 | 820,804 | 485,17 |
| Special fund | 6,400,000 | 19,150,374 | 18,650,374 | 6,900,000 | 500,000 | 2,100,00 |
| Natural Sciences and Engineering Reasearch | | | | | | |
| Council—Trust fund(1) | 517,861 | 635,150 | 815,164 | 337,847 | -180,014 | 68,35 |
| Science Council of Canada— | | | | | | |
| Canada/Japan joint study | 16,144 | | 16,144 | | -16,144 | 16,14 |
| | 10,646,952 | 49,064,455 | 41,864,072 | 17,847,335 | 7,200,383 | 4,015,96 |

TABLE 7.14
OTHER SPECIFIED PURPOSE ACCOUNTS—Continued

| | | Receipts and | Payments and | | Net increase or | decrease (-) |
|---|------------------|---------------|---------------|------------------------|-----------------------|----------------------|
| | April 1/1989 | other credits | other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Justice- | | | | | | |
| Federal Court of Canada— | | | | | | |
| Federal Court special account [1] | 9,790,571 | 3,693,848 | 4,066,923 | 9,417,496 | -373,075 | -360,910 |
| Labour— | | | | | | |
| Fair wages suspense account Labour standards suspense account Labour standards suspense account | 645 | 84,039 | 58,764 | 25,920 | 25,275 | -19,465 |
| Labour standards suspense account | 242,127 | 98,138 | 33,979 | 306,286 | 64,159 | 15,855 |
| National Defence— | 242,772 | 182,177 | 92,743 | 332,206 | 89,434 | -3,610 |
| Foreign governments— | | | | | | |
| United Kingdom— | | | | | | |
| British Army—Suffield, Alberta | 21,196,735 | 201,159,764 | 216,349,991 | 6,006,508 | -15,190,227 | 17,699,261 |
| Other activities | 5,696,574 | 86,290,082 | 93,276,268 | -1,289,612 | -6,986,186 | 3,200,705 |
| United States of America | 5,000,535 | 9,996,929 | 11,491,367 | 3,506,097 | -1,494,438 | 2,995,718 |
| Federal Republic of Germany— | | | | | | |
| German Army—Shilo, Manitoba | 7,461,979 | 94,220,150 | 99,432,166 | 2,249,963 | -5,212,016 | -233,984 |
| Other activities | -8,214,298 | 174,779,967 | 167,509,066 | -943,397 | 7,270,901 | -15,385,021 |
| Netherlands | 2,539,655 | 98,977,805 | 96,138,259 | 5,379,201 | 2,839,546 | 1,622,665 |
| North Atlantic Treaty Organization (NATO)— | | | | | | |
| Infrastructure projects | 9,090,124 | 689 | 4,363,553 | 4 727 260 | 4 262 064 | 4 042 040 |
| Non-government agencies | 1,514,526 | 1,895,785 | 1,738,774 | 4,727,260 1,671,537 | -4,362,864 157,011 | 4,942,869 324,490 |
| go agoneses | 44,285,830 | 667,321,171 | 690,299,444 | 21,307,557 | -22,978,273 | 15,166,703 |
| National Health and Welfare— | ,200,000 | 00/,021,1/1 | 0,0,2,0,1,1,1 | 21,507,557 | -22,770,275 | 15,100,705 |
| Canadian Sports Pool Corporation— | | | | | | |
| Other outstanding liabilities [1] | 182,870 | | 30,360 | 152,510 | -30,360 | -3,406 |
| Computerized space programming method- | | | | | | |
| ology | 52,833 | 40,000 | 91,127 | 1,706 | -51,127 | 50,772 |
| Fire safety evaluation system for | | | | | | |
| hospitals | 16,929 | 35,000 | 43,980 | 7,949 | -8,980 | 16,929 |
| Miscellaneous federal/provincial | | 20,000 | 11.500 | 0.500 | 0.500 | |
| projects | 50,700 | 20,000 | 11,500 | 8,500 | 8,500 | £0.700 |
| "Nobody's perfect"—Shared-cost | 30,700 | 77,600 | 16,035 | 112,265 | 61,565 | 50,700 |
| project | 166,372 | 19,564 | 180,270 | 5,666 | -160,706 | 166,372 |
| Post-occupancy evaluation method- | ,- | | 100,270 | 5,000 | 100,700 | 100,572 |
| ology ⁽¹⁾ | 29,053 | 50,000 | 37,793 | 41,260 | 12,207 | 11,151 |
| Review of liability and compen- | | | | | | |
| sation issues in health | | | | | | |
| care ^[1] | 156,167 | | 62,107 | 94,060 | -62,107 | -59,953 |
| Safety evaluation of | C 200 | | | 4.004 | | |
| chemicals | 6,308 155,155 | 67.604 | 1,404 | 4,904 | -1,404 | 4.055 |
| Medical Research Council— | 133,133 | 67,604 | 31,468 | 191,291 | 36,136 | 4,955 |
| Dyskinesia and torticollis reseach ^[1] | 83,056 | 9,297 | | 92,353 | 9,297 | -635 |
| Farquharson scholarships [1] | 3,479 | 66 | 3,480 | 65 | -3,414 | -5,587 |
| | 902,922 | 319,131 | 509,524 | 712,529 | -190,393 | 231,298 |
| Public Works— | | | | man and a second | , | |
| Shared-cost projects (3) | | | | | | |
| Secretary of State— | | | | | , | |
| Promotion of official languages | | 23,931 | 23,931 | | 4 | |
| Social Sciences and Humanities Research | | | | | | |
| Council— | | | | | | |
| Queen's Fellowship Fund | 264,231 | 28,597 | 32,462 | 260,366 | -3,865 | -6,315 |
| Trust fund | 6,226 | 25,097 | 25,000 | 6,323 | 97 | 518 |
| Supply and Services— | 270,457 | 77,625 | 81,393 | 266,689 | -3,768 | -5,797 |
| Interest on bonds—Insurance | | | | | | |
| companies | -2,464,732 | 42,715,838 | 40,251,106 | | 2,464,732 | 351,099 |
| Military purchases excess funds | 2,101,132 | 12,772,050 | 10,231,100 | | 2,404,752 | 331,077 |
| deposit | 379,844,560 | 3,480,397,348 | 3,482,655,632 | 377,586,276 | -2,258,284 | 18,552,545 |
| Less: securities held in trust | 379,844,560 | 3,482,655,632 | 3,480,397,348 | 377,586,276 | -2,258,284 | 18,552,545 |
| | | 6,963,052,980 | 6,963,052,980 | | | |
| Petro-Canada Enterprises Inc—Shares [1] | 1,319,257 | | 168,556 | 1,150,701 | -168,556 | -161,589 |
| | -1,145,475 | 7,005,768,818 | 7,003,472,642 | 1,150,701 | 2,296,176 | 189,510 |

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TABLE 7.14

OTHER SPECIFIED PURPOSE ACCOUNTS—Concluded

| | | | | | Net increase or decrease (-) | |
|--|---|-----------------------------|----------------------------|--------------------------|------------------------------|-------------------------------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| 14 4 | \$ | \$ | \$ | . \$ | \$ | \$ |
| Transport— Cartierville Airport account Veterans Affairs— | 2,758,275 | 182,273 | 1,474,323 | 1,466,225 | -1,292,050 | -1,265,387 |
| Army benevolent fund ^[1] Ste-Anne's Hospital ^[1] | 759,947 -1,538 <i>758,409</i> | 497,250 1,538 498,788 | 589,011 589.011 | 668,186 | -91,761 1,538 -90,223 | -90,713 -2,409,366 -2,500,079 |
| Accounts without current transactions | | , | | , | , | -3,371 |
| Total other accounts | 133,760,235 | 7,765,799,000 | 7,780,993,546 | 118,565,689 | -15,194,546 | 18,142,842 |
| TotalLess: consolidation adjustment [4] | 839,739,656 ^{2} 5,537,014 | 7,924,059,376 400,865 | 7,838,082,351 | 925,716,681 5,937,879 | 85,977,025 400,865 | 108,285,751 301,341 |
| Total other specified accounts | 834,202,642 | 7,923,658,511 | 7,838,082,351 | 919,778,802 | 85,576,160 | 107,984,410 |

^{1} This account was reported in Table 7.10 in 1988-89.

Civil service insurance fund

- V 7/1

This fund was established by the Civil Service Insurance Act, to provide life insurance coverage for civil servants who bought policies before 1955-56. The purchase of policies was discontinued in 1954-55, pursuant to Section 62(2) of the Public Service Superannuation Act.

During the year, receipts and other credits consisted of premiums of \$11,593 and, an amount of \$382,120 (charged to budgetary expenditure) representing an adjustment to bring the balance in the fund into agreement with the actuarial valuation as at March 31, 1989. Payments and other charges consisted of death benefits, \$646,597; cash surrender value, \$45,167; annuities, \$31,505; and premium refunds, \$104.

Regular forces death benefit account

This account was established by the Canadian Forces Superannuation Act, to provide life insurance to contributing members of the Armed Forces. Receipts and other credits consist of: (a) contributions by participants; (b) Government's contribution (1/6 of benefits paid in respect of participants who, at the time of death, were members of the regular forces, or who were elective regular forces participants, to whom pensions were payable under the Canadian Forces Superannuation Act or the Defence Services Pension Continuation Act); (c) single premiums payable by the Government in respect of regular forces participants who become entitled to a basic benefit of \$500 without contribution; and, (d) interest.

⁽²⁾⁽a) Certain accounts having a total opening balance of \$11,573 reported in this table in 1988-89 are now shown in Table 8.4 (Section 8 of this volume).

⁽b) Certain accounts having a total opening balance of \$174,278,894 reported in this table in 1988-89 are now shown in Table 5.7 (Section 5 of this volume).

A change in accounting policy affecting specified purpose accounts has been made in 1989-90. Further to the introduction of this change, this account no longer met the requirements of a specified purpose account and therefore the account was closed. The opening balance and the current year transactions have been transferred to non-tax revenue on a retroactive basis.

^[44] In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

Payments and other charges consist of: (a) benefits paid in respect of participants who, at the time of death, were members of the regular forces, or who were elective regular forces participants, to whom pensions were payable under the Canadian Forces Superannuation Act or the Defence Services Pension Continuation Act, upon their retirement from the regular forces; (b) benefits paid in respect of elective regular forces participants, to whom pensions were not payable under the Canadian Forces Superannuation Act or the Defence Services Pension Continuation Act, upon their retirement from the regular forces; and, (c) the portion of benefit payable for which a single premium has been paid by the Government.

TABLE 7.15REGULAR FORCES DEATH BENEFIT ACCOUNT

| | 1989-90 | 1988-89 |
|---|-------------------------------------|------------------------------------|
| | \$ | \$ |
| Opening balance | 95,819,641 | 85,236,692 |
| RECEIPTS AND OTHER CREDITS— Contributions by personnel | 9,164,007 1,465,596 | 9,570,064 1,550,708 |
| entitled to a basic benefit of \$500 without contribution Interest | 523,590 10,610,774 21,763,967 | 515,530 9,392,638 21,028,940 |
| | 117,583,608 | 106,265,632 |
| PAYMENTS AND OTHER CHARGES— Benefits paid in respect of participants who, at the time of death, were members of the regular forces, or who were elective regular forces participants, to whom pensions were payable under the Canadian Forces Superannuation Act or the Defence Services Pension Continuation Act | 8,627,502 | 10,445,991 |
| Closing balance | 108,956,106 | 95,819,641 |

Public Service death benefit account

This account was established under the Public Service Superannuation Act, to provide life insurance to contributing members of the Public Service.

The account is credited with: (a) contributions by employees; (b) contributions by the Government and Public Service corporations; and, (c) interest. Payments and other charges represent: (a) benefits paid in respect of participants who, at the time of death, were employed in the Public Service, or were in receipt of an annuity under Part I of the Public Service Superannuation Act; and, (b) benefits of \$500 paid in respect of participants who, at the time of death, were employed in the Public Service, or were in receipt of an annuity under Part I of the Public Service Superannuation Act, and on whose behalf a single premium for \$500 death benefit coverage for life has been made.

TABLE 7.16

PUBLIC SERVICE DEATH BENEFIT ACCOUNT

| | 1989-90 | 1988-89 |
|--|-------------|-------------|
| | \$ | \$ |
| Opening balance | 527,522,877 | 447,950,192 |
| RECEIPTS AND OTHER CREDITS— | | |
| Contributions— | | |
| Employees— Government and Public service | | |
| corporations | 56,227,705 | 52,428,348 |
| Government— | 30,227,703 | 32,428,348 |
| One-sixth of benefit payments— | | - |
| General | 6,028,585 | 5,172,588 |
| Single premium for \$500 | 1,829,161 | 1,857,094 |
| Public Service corporations | 2,361,234 | 2,301,651 |
| Interest | 59,422,932 | 50,826,870 |
| | 125,869,617 | 112,586,551 |
| | 653,392,494 | 560,536,743 |
| PAYMENTS AND OTHER CHARGES— Benefit payments— | | |
| General | 35,239,220 | 31,289,277 |
| Life coverage of \$500 | 1,702,213 | 1,635,514 |
| Other death benefit payments | 80,587 | 89,075 |
| | 37,022,020 | 33,013,866 |
| Closing balance | 616,370,474 | 527,522,877 |

Returned soldiers' insurance fund

This fund was established by the Returned Soldiers' Insurance Act, to provide life insurance to contributing veterans of World War I. The account is credited with premiums and is charged with disbursements for death benefits and cash surrender values. The account is actuarially maintained and an actuarial liability adjustment as at March 31, 1989 of \$2,209 was credited to the account during the year and was charged to budgetary expenditure. The final date on which application for this insurance could have been received, was August 31, 1933.

Veterans insurance fund

This fund was established by the Veterans' Insurance Act, to provide life insurance to contributing veterans of World War II. The account is credited with premiums and is charged with disbursements for death benefits and cash surrender values. The account is actuarially maintained and an actuarial liability adjustment as at March 31, 1989 of \$583,356 was credited to the account during the year and was charged to budgetary expenditure. The final date on which application for this insurance could have been received, was October 31, 1968.

Annuities agents' pension account

This account was established by Vote 181, Appropriation Act No 1, 1961, to provide pension benefits to former eligible Government employees who were engaged in selling Government annuities to the public.

During the year, interest was credited to the account and charged to interest on public debt.

Members of Parliament retiring allowances account

This account was established by the Members of Parliament Retiring Allowances Act, to provide pension benefits to eligible Members of Parliament who contributed to the plan. "Member" means a member of the Senate or House of Commons. Benefits are also available to widows and dependent children of members who served on or after April 9, 1963 and contributed under the Act.

Receipts and other credits consist of: (a) contributions reserved from current indemnities, based on the full amount paid; (b) contributions reserved from additional salaries, based on the percentage of contribution elected, up to 10% of the full amount of salary; (c) contributions for previous sessions, where members elect to pay arrears, and interest on arrears; (d) interest and mortality insurance on any unpaid balance, based on Canada Life Tables; (e) contributions by the Government, of an amount equal to contributions paid or which have become payable in the year; (f) interest credited quarterly; and, (g) the repayment of pensions after elections to transfer Members of Parliament retiring allowances to the Public Service Superannuation Account.

Payments and other charges consist of: (a) payments of annual allowances; (b) withdrawal allowances and related interest; (c) refunds of contributions which are in excess of the maximum required; and, (d) transfers of funds to the Public Service Superannuation Account.

TABLE 7.17

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACCOUNT

| | 1989-90 | 1988-89 |
|---|------------|------------|
| | \$ | \$ |
| Opening balance | 29,254,221 | 28,779,384 |
| RECEIPTS AND OTHER CREDITS— Members' contributions— | | |
| Current | 2,082,958 | 1,897,766 |
| ity insurance | 184,116 | 277,537 |
| Current | 2,082,958 | 1,897,766 |
| Interest | 2,960,449 | 2,950,677 |
| | 7,310,481 | 7,023,746 |
| W | 36,564,702 | 35,803,130 |
| PAYMENTS AND OTHER CHARGES— | | |
| Annual allowances | 6,347,357 | 6,548,909 |
| Closing balance | 30,217,345 | 29,254,221 |

Dependants' pension fund

This fund which pertains to Part IV of the Royal Canadian Mounted Police Pension Continuation Act, provides pension benefits to certain widows and other dependants of contributing members of the Royal Canadian Mounted Police. The fund is credited with a 5% contribution from the pay of members of the Force, other than commissioned officers. There are no longer any active contributing members.

During the year, interest was credited to the account and charged to interest on public debt.

Locally-engaged contributory pension account

This account, which pertains to Part II of the Locally-Engaged Pension Regulations, provides pension benefits to locally-employed Government employees who contributed to the plan. The account is credited with contributions from locally-engaged employees, and charged with the subsequent payment of benefits.

Retirement fund

This fund provides pension benefits to certain eligible Government employees who are not covered by the Public Service Superannuation Account and who contributed to the fund.

Contributions are made to the fund in the form of monthly deductions from the salaries of certain prevailing rate or seasonal and certain other employees. Other credits are interest at the rate of 4% per annum on the balance to the credit of each contributor, the off-setting charge being to interest on public debt. Payments and other charges represent payment of the amounts to the employees' credit upon resignation or death, or, if they become contributors to the Public Service Superannuation Account, transfers to that account.

Canada/Provinces livestock drought agreements

This account was established pursuant to Section 21 of the Financial Administration Act, to record advance payments by the provinces of their share of the costs incurred under the livestock drought agreements. The account is reduced as payments are made to eligible livestock producers.

Canada/Saskatchewan agricultural community water infrastructure

This account was established pursuant to the 1984 Canada-Saskatchewan Subsidiary Agreement on Agricultural Community Water Infrastructure, to record deposits from the Province of Saskatchewan whenever a city or town is able to finance part of the water supply or water disposal facilities and separate construction is not possible. Money is paid out of the account as eligible billing costs are received.

Canagrex trust fund

This account was established pursuant to Section 21 of the Financial Administration Act, pursuant to legal requirements arising from the winding-up of the Corporation.

During the year, this account was closed.

Carman diversion project

This account was established pursuant to Section 21 of the Financial Administration Act, to record advance payments received from the Government of Manitoba for their share of the costs incurred under the Carman diversion project. The project involves the construction of a water diversion canal on the Boyne River around the town of Carman, Manitoba. Money is paid out of the account as eligible billing costs are received.

Cost-shared agreements—Research

This account was established pursuant to Section 21 of the Financial Administration Act, to record amounts deposited by external parties for cost-shared research projects. Moneys are disbursed on behalf of the depositors as the specific projects are undertaken.

Fees paid in advance—Importation of foreign cattle

This account was established pursuant to Section 21 of the Financial Administration Act, to record deposits made in connection with the importation of foreign cattle, pregnancy tests on cattle, and applications for the registration of feeds, fertilizers and pesticides, which are credited to this account pending assessment of actual costs on completion of the particular services required.

On final accountability and at such time as the services are completed, the deposits are either credited to non-tax revenue, or are returned to the depositor.

Importation of Dutch bulbs

This account was established pursuant to Section 21 of the Financial Administration Act, to record deposits made in connection with the importation of Dutch bulbs. The inspections are made in Holland before the bulbs are containerized. When the inspections are completed, the actual fees are credited to non-tax revenue, with any excess returned to depositors.

Advance account—Canadian Film Development Corporation

This account was established pursuant to Section 21 of the Financial Administration Act, to reserve for use in future years moneys generated by projects funded by Telefilm Canada, and which, due to timing, remained unreinvested at year end.

Shared-cost projects—Canadian Radio-television and Telecommunications Commission

This account was established pursuant to Section 21 of the Financial Administration Act, to record advance payments from private industry in support of the study on sex-roles in Canadian television programming.

Deposit account—Consumer and Corporate Affairs

This account was established pursuant to Sections 20 and 21 of the Financial Administration Act, to record moneys held in trust to defray the cost of services provided on a regular basis. No interest is credited to the account.

Income from Patent Cooperation Treaty

This account was established pursuant to Section 21 of the Financial Administration Act, and Section 12(3) of the Patent Corporation Treaty Regulations under the Patent Rules, to record the receipt and disposition of the various fees relating to applications for an international patent, in accordance with Rules 14, 15, 16 and 16^{bis} of the Regulations under the Income from Patent Cooperation Treaty.

Income from securities in trust—Bankruptcy Act

This account was established by Sections 78, 84, 154 and 194 of the Bankruptcy Act, to record dividends paid on stocks originally held by a bankrupt stockbroker but subsequently sold to clients. As the stocks were not registered in the clients' names, the dividends must be paid to the last registered owner, in this case, the stockbroker. The dividends are now forwarded to the Superintendent of Bankruptcy for safekeeping.

Securities in trust—Bankruptcy Act

This account was established by Section 67 of the Bankruptcy Act, to record the value of securities originally held by a bankrupt stockbroker, on behalf of clients who have not been located.

Unclaimed dividends and undistributed assets—Bankruptcy Act

This account represents amounts credited to the Receiver General in accordance with the provisions of Section 154 of the Bankruptcy Act, pending distribution to creditors.

Unclaimed dividends and undistributed assets—Canada Business Corporations Act

This account was established in accordance with Sections 227 and 228 of the Canada Business Corporations Act, for the purpose of recording liabilities to creditors and shareholders who have not been located. The account is charged when funds are paid to them.

Unclaimed dividends and undistributed assets—Winding-up Act

This account records amounts credited to the Receiver General, in accordance with Sections 138 and 139 of the Winding-up Act, pending distribution.

Canadian jobs strategy program

The Canadian jobs strategy program is jointly funded by the federal and provincial governments.

This account was established pursuant to Section 21 of the Financial Administration Act, to record advance payments made by provinces against their share of the cost of projects, and held in trust pending disbursements to project sponsors.

Summer employment—Experience development program

The summer employment—Experience development program is jointly funded by the federal and provincial governments.

This account was established pursuant to Section 21 of the Financial Administration Act, to record advance payments made by provinces against their share of the cost of projects, and held in trust pending disbursements to project sponsors.

Work orientation workshops program

The work orientation workshops program is jointly funded by the federal and provincial governments.

This account was established pursuant to Section 21 of the Financial Administration Act, to record advance payments made by provinces against their share of the cost of projects, and held in trust pending disbursements to project sponsors.

Continental geoscience division—Ontario Hydro

This account was established pursuant to Section 21 of the Financial Administration Act, to facilitate a cost sharing agreement between Energy, Mines and Resources and Ontario Hydro to acquire, compile, process and interpret seismic reflection data recorded in Lake Ontario, Lake Erie, and Lake Huron.

Geological survey of Canada—Research agreements

This account was established pursuant to Section 21 of the Financial Administration Act, to faciliate the retention and disbursement of moneys received from private, industry, and other governments for joint project or cost sharing research agreements.

Market development incentive payments-Alberta

This account records moneys received from the Government of Alberta, to encourage the expansion of natural gas markets in provinces east of Alberta, in accordance with an agreement between the Government of Canada and the Government of Alberta dated September 1, 1981 and pursuant to Section 39 of the Energy Administration Act. The original term of the agreement was from November 1, 1981 to January 31, 1987. As a result of the Western Accord of March 25, 1985, payments from the Government of Alberta terminated as at April 30, 1986, however, payments are being made from the account for the Natural Gas Vehicle Conversion and Natural Gas Fueling Station Programs.

Mineral and energy technology—Shared-cost project

This account was established pursuant to Section 21 of the Financial Administration Act, to facilitate the retention and disbursement of moneys received from private organizations and other governments for cost-sharing scientific projects.

Miscellaneous projects deposits—Energy, Mines and Resources

Accounts were established pursuant to Sections 20 and 21 of the Financial Administration Act, to record prepayments received from outside organizations and individuals for scientific services to be performed on a cost recovery basis. As work progresses, earned income is credited to non-tax revenue.

During the year, the account was closed.

Nova Scotia offshore revenue account

This account was established pursuant to Section 217 of the Canada-Nova Scotia Petroleum Resource Accord Implementation Act, to record amounts collected under the various tax agreements outlined in Part IV of the Act. Monies subsequently remitted to the Province of Nova Scotia are charged to this account.

NYSERDA—Diesel technology Research and Development

This account was established pursuant to Section 21 of the Financial Administration Act, to administer an advance payment from the New York State Energy Research and Development Authority (NYSERDA) with respect to demonstrating methanol diesel technology in the operation of transit buses. The advance was a condition of an agreement between the Department of Energy, Mines and Resources and NYSERDA.

Forks sculpture contest account

This account was established pursuant to Section 21 of the Financial Administration Act, for the purpose of accepting donations from large companies to sponsor a sculpture competition for the opening of the Fork National Historic Park in late 1988.

Grassy Island National Historic Site

This account was established pursuant to Section 21 of the Financial Administration Act, to accept donations from Strait of Canso Industrial Development authority to develop Grassy Island as National Historic Site. This donation will be used to pay for the cost of a new visitor reception centre including interpretive displays and site development on the mainland and island.

Intervenor funding program

This account was established pursuant to Section 21 of the Financial Administration Act, to record deposits received from provinces, territories or private organizations who provide funds for public participation in the review process of low-level flight training on a project basis through contribution agreements.

Miscellaneous projects deposits—Environment

This account was established pursuant to Section 21 of the Financial Administration Act, to record contributions received from organizations and individuals, for the furtherance of research work.

Mackenzie King trust account

The late The Right Hon W L Mackenzie King bequeathed Laurier House, Ottawa, and the sum of \$225,000, to the Government of Canada. The amount of \$225,000 was credited to the account. Interest computed, in accordance with the terms of Section 3 of the Laurier House Act, is to be credited to the account at the end of each year, and charged to interest on public debt. The interest is to be used to assist in the maintenance of the Laurier House, which is to be preserved as a place of historic interest, and also to provide accommodation for study and research.

During the year, interest of \$22,815 was credited hereto. In accordance with the Act, Public Works Canada is authorized to expend an annual sum not to exceed 70% of the interest earned in the previous year for the maintenance and upkeep of the buildings on the Laurier House property. Environment Canada is authorized to expend an annual sum not to exceed 30% of the interest earned for the maintenance of the Laurier House as a museum and study centre, and for the provision of sundry purchases therefrom, and the unspent balance of the interest earned be credited at the end of the year to non-tax revenue.

Canada Foundation account

This account was established by Vote 6g, Appropriation Act No 2, 1967, to record moneys received in connection with the Civilian Relief Agreement of 1950, and the Cultural Agreement of 1954 between Canada and Italy, and disbursements for the purposes of the said agreements.

The account is maintained in Italian lira in the Banco di Roma, Italy, and all transactions recorded in foreign currencies during the year are converted at the rate of exchange prevailing at the close of the years (1989-90, 1 Lira/\$0.000941 Cdn; 1988-89, 1 Lira/\$0.000859 Cdn).

During the year, income derived from the operation of the account amounted to Lira 25,464,665—\$23,862 Cdn, and disbursements for cultural activities and administrative expenses were Lira 34,574,476—\$32,535 Cdn. Adjustment of the book value carried forward from the previous year resulted in valuation increases of \$27,043, to securities held in trust, and \$578 to cash on deposit. The closing balance consists of securities at cost and cash on deposit.

Cost recoverable technical assistance program

This account was established pursuant to Section 21 of the Financial Administration Act, to record prepayments and disbursements in respect of the costs pertaining to the provision of technical assistance to other countries by Canadian firms and institutions pursuant to agreements between the Government of Canada and other national governments.

During the year, interest was credited to the account and charged to interest on public debt.

Economic summit account

This account was established pursuant to Section 21 of the Financial Administration Act, to record moneys received from the private sector and other public funded organizations. These donated funds were used to help defray the costs of special events at the Economic Summit held in Toronto, Ontario from June 19 to 28, 1988.

Guarantee deposits—Canadian International Development Agency

This account was established pursuant to Section 29 of the Financial Administration Act, to record cheques for insurance claims related to damages to "in transit" goods being shipped to the country specified in the loan agreement, pending the decision of the country on the use of these moneys, to reduce the loan balance or to purchase replacement goods.

International agencies—Travel account

This account was established pursuant to Section 21 of the Financial Administration Act, to record funds made available by international agencies, to provide for payment of transportation of fellows and scholars who travel in Canada, under the sponsorship of such agencies.

During the year, this account was closed.

Common school funds—Ontario and Quebec

This account was established under 12 Victoria 1849, Chapter 200, to record the proceeds from the sale of lands set apart for the support and maintenance of common schools in Upper and Lower Canada, now Ontario and Quebec. Interest of \$133,888, apportioned on the basis of population, is paid semi-annually to these provinces, at the rate of 5% per annum, and is charged to interest on public debt.

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Foreign claims fund

This account was established by Vote 22a, Appropriation Act No 9, 1966, to record: (a) such part of the money received from the Custodian of Enemy Property, proceeds of the sale of property and the earnings of property, and, (b) all amounts received from governments of other countries pursuant to agreements entered into after April 1, 1966 relating to the settlement of Canadian claims, and also records payment of claims submitted, including payment of the expenses incurred in investigating and reporting on such claims.

During the year, interest was credited to the account and charged to interest on public debt.

War claims fund-World War II

This account was established by Vote 696, Appropriation Act No 4, 1952, to record moneys received from the Custodian of Enemy Property or from other sources, and payments: (a) to eligible claimants for compensation in respect of World War II; (b) of a supplementary award amounting to 50% of the original award (PC 1958-1467, October 23, 1958); and, (c) of expenses incurred in investigating and reporting on claims.

A War Claims Commission was established to enquire into and report on claims made by Canadians arising out of World War II for which compensation may be paid from this or any other fund established for the purpose. The expenses of the Commission are chargeable hereto.

Great Lakes Fishery Commission—Lamprey research and control

This account was established pursuant to the Great Lakes Fisheries Convention Act, to record the outstanding financial obligations of the Government of Canada. The Department of Fisheries and Oceans is the agent of the Commission and is accountable for the discharge of the Commission's program in the Great Lakes involving sea lamprey eradication and related research.

Miscellaneous projects deposits—Fisheries and Oceans

This account was established pursuant to Section 21 of the Financial Administration Act, to record contributions received from organizations and individuals, for the furtherance of research work.

Miscellaneous projects deposits-Forestry

This account was established pursuant to Section 21 of the Financial Administration Act, to record contributions received from organizations and individuals for the furtherance of forestry research work.

National forestry awareness campaign

This account was established pursuant to Section 21 of the Financial Administration Act, to record moneys to be used to make the Canadian public more aware of the economic importance of the forest sector and the impact that the forest industry has on the overall well-being of Canadians. This activity is funded by pooling a portion of the funds of all federal-provincial forestry agreements. Deposits to this account constitute the province's share of the awareness campaign.

Fines-Indian Act

Fines collected under Sections 85.1 and 104 of the Indian Act, in connection with liquor prosecutions, and band bylaws, are credited to this account. Expenditures cover certain costs incurred in the suppression of the liquor traffic among the Indians of Canada.

Indian agencies revenue trust bank accounts

This account was established pursuant to Section 20 of the Financial Administration Act, to record moneys held for Indians in authorized banks across Canada. These moneys include such items as deceased estates, deposits and payments on leases held for individual Indians, and those to be split between individual Indians and Indian bands.

Indian band funds—Shares and certificates

This account was established by Section 61 of the Indian Act, to record the historical value of Transalta Utilities Ltd shares of stock as compensation for a power line right-of-way on the Blood Indian reserve. These shares are held in the name of the Receiver General of Canada for the credit of the Blood Indian Band. Any dividends received are credited to the revenue account of the Blood Indian Band.

Indian compensation funds

Pursuant to Sections 35 and 61 of the Indian Act, moneys received from the sale of Indian lands and easement compensation, where the title has not been cleared nor the land survey completed, are recorded in this account pending completion of documentation.

During the year, interest was credited to the accounts and charged to interest on public debt.

Indian moneys suspense account

This account was established pursuant to Section 21 of the Financial Administration Act, to record moneys held for individuals and bands, received from rentals and leases of Indian lands, such as agricultural leases, easements, oil and gas leases and permits, etc, pending proper documentation.

During the year, interest was credited to the accounts and charged to interest on public debt.

Indian special accounts

Pursuant to Section 52 of the Indian Act and Section 21 of the Financial Administration Act, these Indian special accounts represent a number of non-interest bearing accounts which are maintained for specific purposes and include the following:

- (a) Absent or missing heirs—Assets in an estate to which a missing heir might be entitled are held in this account for a period of seven years, after which time, if the heirs are not located, the assets are distributed to other persons according to entitlement.
- (b) Abitibi fur preserve—This account records moneys received from the sale of pelts trapped on reserves in the Abitibi District in Quebec, to defer charges for tallymen's wages, freight costs, etc.
- (c) Abitibi fishery—This account records charges for the operation of the Abitibi sturgeon fish catching project.
- (d) Indian off-reserve housing—This account records personal contributions held in trust until paid to the vendor, the builder or legal representative.

1924 Ontario lands agreement

This account was established pursuant to Section 21 of the Financial Administration Act, to record the Province of Ontario's share of the receipts from mineral activity on Indian reserves in accordance with the terms of the 1924 Ontario lands agreement. Payment of these funds to Indian bands is awaiting the passage of federal and provincial legislation to enact a new Indian Lands Agreement for Ontario.

During the year, interest was credited to the accounts and charged to interest on public debt.

Tourism cost-sharing agreements

This account was established pursuant to Section 21 of the Financial Administration Act, to record amounts deposited by external agencies for cost-shared studies. Moneys are disbursed on behalf of the depositors as the specific studies are undertaken.

Radarsat

This account was established pursuant to Section 21 of the Financial Administration Act, to record moneys received for both cost-sharing and advance payments for Radarsat scenes.

Advance payments—Statistics Canada

This account was established pursuant to Section 21 of the Financial Administration Act, to record advance payments received from departments, agencies and others to finance the cost of special statistical services.

Trust fund—National Research Council

This account was established by the National Research Council Act, to record funds received from departments and agencies and public organizations, to cover expenditures made on their behalf.

Special fund-National Research Council

This account was established by the National Research Council Act, to record revenue received by the National Research Council of Canada in the amount of \$19,150,374, derived from laboratory fees, \$9,738,106; capital, \$976,000; information services, \$2,927,814; sales of publications, \$4,294,366; and, miscellaneous receipts, \$1,214,088. An amount of \$18,650,374 was charged hereto, of which an amount of \$17,674,374 was credited to National Research Council Vote 65, and \$976,000 to National Research Council Vote 70, to offset expenditures.

Trust fund—Natural Sciences and Engineering Research Council

This account was established by Section 27 of the Government Organization (Scientific Activities) Act, 1976, to record funds received from other governments and organizations, to cover expenditures made on their behalf, and to record this agency's liability to other organizations.

During the year, interest was credited to the account and charged to interest on public debt.

Canada/Japan joint study

This account was established pursuant to Section 21 of the Financial Administration Act and Section 15 of the Science Council of Canada Act, to record moneys received from Japan to be used for the joint study on cooperation in the field of science and technology between Canada and Japan.

Federal Court special account

This account was established pursuant to Section 21 of the Financial Administration Act, to maintain accounts on behalf of litigants before the Court. These accounts record the moneys paid into the Federal Court of Canada, pursuant to an order of the Court, rules of the Court or statutes, to be held in trust pending payment of such moneys, in accordance with a judgment of the Court.

During the year, interest was credited to the account and charged to interest on public debt.

Fair wages suspense account

This account is operated under the authority of Section 13 of the Fair Wages and Hours of Labour Regulations. Where an investigation in respect of a contract on Government works results in an award of wages, the amount received from the contractor is credited to this account, and is subsequently distributed to employees.

The account also records amounts received from departments and agencies, representing wages in respect of contracts, withheld from final payment to contractors.

Labour standards suspense account

This account is operated under the authority of the Canada Labour Code, Part III, Section 251, and the Canada Labour Standards Regulations Section 23.

The account records:

- (a) funds received from employers as a result of assessments made by inspectors regarding underpayments of minimum wages, overtime, vacation pay, holiday pay, termination, severance or bereavement pay. The assessments are payable either directly to the employee, or to the Minister of Labour who is required to transmit the payment to the employee;
- (b) payments received from employers who are in arrears in paying their employees. Such amounts are repaid to employees; and,
- (c) wages received by the Minister of Labour from employers who cannot locate employees. Efforts are then made to locate employees.

Foreign governments

These accounts were established pursuant to Section 21 of the Financial Administration Act, to record funds received from foreign governments, to cover expenditures to be made on their behalf, in accordance with the provisions of agreements with the Government of Canada.

The debit balance in some accounts is the result of a processing delay and will be cleared in the new fiscal year.

North Atlantic Treaty Organization (NATO)

These accounts were established pursuant to Section 21 of the Financial Administration Act, to record funds received from NATO to cover (a) NATO infrastructure projects implemented by Canada, and, (b) other expenditures to be made on NATO's behalf, in accordance with the terms of an agreement with the Government of Canada.

Non-government agencies

This account was established pursuant to Section 21 of the Financial Administration Act, to record funds received for expenditures made on behalf of non-government agencies, for which specific accounts have not been established.

Canadian Sports Pool Corporation—Other outstanding liabilities

This account was established pursuant to Section 21 of the Financial Administration Act, to record moneys received at the dissolution of the Canadian Sports Pool Corporation which are used to pay any liabilities of the Corporation.

Computerized space programming methodology

This account was established pursuant to Section 21 of the Financial Administration Act, to record transactions relating to the provinces' share of costs incurred under a cost-sharing agreement with provinces (except Quebec) and territories to computerize the Hospital Space Programming Methodology series. Contributions are made by provinces to the account in proportion to population.

Fire safety evaluation system for hospitals

This account was established pursuant to Section 21 of the Financial Administration Act, to record transactions relating to funds provided by the provinces and territories under a cost-shared agreement for an evaluation of fire safety systems for hospitals.

Miscellaneous federal/provincial projects—National Health and Welfare

This account was established pursuant to Section 21 of the Financial Administration Act, to record transactions relating to the provinces/territories share of costs incurred under federal/provincial cost-sharing agreements for joint federal/provincial projects in the areas of hospital administration, hospital facilities design and other related health issues.

National physician data base

This account was established pursuant to Section 21 of the Financial Administration Act, to record transactions relating to funds provided by the provinces and territories under a cost-shared agreement for the development of a national physician data base.

"Nobody's perfect"—Shared-cost project

This account was established pursuant to Section 21 of the Financial Administration Act, to record transactions relating to the provinces' share of costs incurred under a federal-provincial cost-sharing agreement for a cooperative project on parenting.

Post-occupancy evaluation methodology

This account was established pursuant to Section 21 of the Financial Administration Act, to record transactions relating to the provinces' share of costs incurred under a cost-sharing agreement with provinces (except Quebec) and territories for a project entitled "Development of a post-occupancy evaluation methodology for hospitals".

Review of liability and compensation issues in health care

This account was established pursuant to Section 21 of the Financial Administration Act, to record transactions relating to funds provided by the provinces and territories under a cost-shared arrangement for a review of liability and compensation issues in health care.

Safety evaluation of chemicals

This account was established pursuant to Section 21 of the Financial Administration Act, to record funds received and payments made to organizations and individuals providing services on behalf of the Scientific Group on Methodologies for the Safety Evaluation of Chemicals in accordance with the specific purposes identified by the Group.

World Health Organization

This account was established pursuant to Section 21 of the Financial Administration Act, to record funds received from the World Health Organization, for scientific projects.

Dyskinesia and torticollis research

This account was established by Section 15 of the Medical Research Council Act, to record a bequest of \$75,000 made by an anonymous donor, to establish a fund for research in the fields of dyskinesia and torticollis. The interest received is used for the payment of research grants. Other donations are also credited to this fund.

During the year, interest was credited to the account and charged to interest on public debt.

Farquharson scholarships

This fund was established by Section 15 of the Medical Research Council Act, to record an award received from the St Boniface General Hospital Research Foundation. The fund will provide research scholarships to undergraduate medical students and graduate high school students.

During the year, interest was credited to the account and charged to interest on public debt.

Shared-cost projects—Public Works

This account was established pursuant to Section 21 of the Financial Administration Act, to record the receipt, in advance, of moneys from departments and agencies and others, for their share of certain shared-cost projects.

Promotion of official languages

This account was established pursuant to Section 21 of the Financial Administration Act, to provide members of the private sector with language instruction using federal Government facilities and Public Service Commission instructors.

Advance payments from the private sector are credited to the account, and charges by the Public Service Commission for its services are charged thereto.

Queen's Fellowship fund—Social Sciences and Humanities Research Council

This fund is an endowment of \$250,000 that was established by Vote 45a, Appropriation Act No 5, 1973-74. The income is used for the payment of scholarships to graduate students in certain fields of Canadian studies.

During the year, interest was credited to the account and charged to interest on public debt.

Trust fund—Social Sciences and Humanities Research Council

This account was established pursuant to Section 21 of the Financial Administration Act, to record receipts and disbursements of funds available for social sciences and humanities research activities. The account is also used to record receipts of private donations and disbursements for the purpose of special projects.

During the year, interest was credited to the account and charged to interest on public debt.

Interest on bonds—Insurance companies

This account is credited with the proceeds from interest coupons on bonds deposited by insurance companies under the Canadian and British Insurance Companies Act. Debits represent the payment of the same interest to the insurance companies.

Military purchases excess funds deposit

This account was established by a written agreement between Canada and the United States, to record temporarily unutilized funds paid to the United States Government under contracts for purchases of military equipment. The funds are invested by the Federal Reserve Bank of New York to earn interest for the Government of Canada.

Petro-Canada Enterprises Inc—Shares

This account was established pursuant to Section 21 of the Financial Administration Act, to record the liability to shareholders who have not presented their shares for payment. The closing balance represents 9,578 shares of Petro-Canada Enterprises Inc at \$120.14 per share.

Cartierville Airport account

In accordance with Section 21 of the Financial Administration Act, and following the sale of the Cartierville Airport by the Government to Canadair Limited, this special account was established to hold in deposit \$5,000,000 and to record in the same account the interest earned as approved by the Minister of Finance.

Periodically, this account will be debited with payments to Canadair Limited to reimburse them for repairs and improvement expenses incurred at the Cartierville Airport.

Army benevolent fund

Pursuant to Section 3 of the Army Benevolent Fund Act, this account was credited with certain canteen profits and other funds from World War II. Interest at the rate of 12.62% per annum is credited semi-annually for the period June 29, 1985 to June 28, 1990, on the minimum monthly balances.

Payments are made out of the fund to or for the benefit of World War II veterans or their dependents or the widows, children or other dependents of deceased veterans.

During the year, interest was credited to the account and charged to interest on public debt.

Ste-Anne's Hospital

Pursuant to Section 9 of the Guardianship of Veterans' Property Regulations, this account records moneys deposited for safekeeping by patients in the veterans' hospital in Ste-Anne-de-Bellevue, Quebec.

During the year, this account was closed.

SUPPLEMENTARY STATEMENTS

Canada Pension Plan Account and the Canada Pension Plan Investment Fund

MANAGEMENT RESPONSIBILITY STATEMENTS

The accompanying statements are the responsibility of the management of the Canada Pension Plan. The statements of the Canada Pension Plan Account and the Canada Pension Plan Investment Fund have been prepared by management in accordance with the accounting policies set out in Note 2 to the statements applied on a basis consistent with that of the preceding year.

Preparation of financial information is an integral part of management's broader responsibility for the ongoing operations of the Account and Fund. Management maintains books of account, and a system of financial and management control augmented by the maintenance of an internal audit program; together with management practices designed to provide reasonable assurance that reliable and accurate financial information is available on a timely basis, that assets are safeguarded and controlled, that resources are managed economically and efficiently, that operations are carried out effectively and the transactions are in accordance with the Canada Pension Plan and Regulations.

The Auditor General of Canada conducts an independent examination of these statements and reports on his examination to the Minister of National Health and Welfare.

> J. G. Soar Assistant Deputy Minister Income Security Programs

Richard Dicerni for Margaret Catley-Carlson Deputy Minister

AUDITOR'S REPORT

TO THE MINISTER OF NATIONAL HEALTH AND WELFARE

I have examined the statements of the Canada Pension Plan Account and the Canada Pension Plan Investment Fund for the year ended March 31, 1990. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these statements present fairly the balance and changes of the Account and the Fund for the year ended March 31, 1990 in accordance with the accounting policies set out in Note 2 to the statements applied on a basis consistent with that of the preceding year.

Raymond Dubois, F.C.A.
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada August 17, 1990

STATEMENT OF THE CANADA PENSION PLAN ACCOUNT FOR THE YEAR ENDED MARCH 31, 1990 (in thousands of dollars)

| and the second s | | |
|--|-------------------------------------|-------------------------------------|
| | 1990 | 1989 |
| Amounts credited Contributions—Employees, employers and | | |
| self-employed | 7,278,667 4,181,861 | 6,248,267 3,912,264 |
| | 11,460,528 | 10,160,531 |
| Amounts charged Benefits | | |
| Retirement pensions Disability pensions Survivors' pensions | 6,290,188 1,470,123 1,335,545 | 5,569,542 1,319,436 1,201,243 |
| Death benefits Orphans' benefits Disabled contributors' child | 149,088 126,374 | 138,528 124,305 |
| benefits | 101,637 | 91,989 |
| | 9,472,955 | 8,445,043 |
| Expenses (Note 4) Administration Collection of contributions Cheque issue and computer | 58,429 52,533 | 55,060 48,174 |
| services | 25,108 6,700 | 23,849 4,552 |
| and maintenance of central index Actuarial services | 1,751 565 | 1,602 445 |
| | 145,086 | 133,682 |
| | 9,618,041 | 8,578,725 |
| Increase in balance | 1,842,487 37,602,882 | 1,581,806 36,021,076 |
| Balance at end of year | 39,445,369 | 37,602,882 |
| Represented by: Canada Pension Plan Investment | | |
| Fund Operating balance on deposit with the | 36,483,062 | 35,063,117 |
| Receiver General for Canada | 2,962,307 | 2,539,765 |
| | 39,445,369 | 37,602,882 |
| | | |

Approved on behalf of the Department of National Health and Welfare:

J. G. SOAR Assistant Deputy Minister Income Security Programs

RICHARD DICERNI for MARGARET CATLEY-CARLSON Deputy Minister

Canada Pension Plan Account and the Canada Pension Plan Investment Fund—Continued

STATEMENT OF THE CANADA PENSION PLAN INVESTMENT FUND FOR THE YEAR ENDED MARCH 31, 1990 (in thousands of dollars)

| | Balance at beginning of year | Amounts charged— Purchases | Amounts credited— Redemptions | Balance at end of year |
|----------------------------------|------------------------------------|----------------------------------|-------------------------------------|---------------------------|
| nvestment in securities (Note 5) | | | | 1 11 10 |
| Provinces and territory | | | | 11 20 |
| Newfoundland | 727,941 | 45.188 | 15,557 | 757.572 |
| Prince Edward Island | 154,733 | 10.544 | 3,240 | 162,037 |
| Nova Scotia | 1,365,521 | 85,218 | 34,566 | 1,416,173 |
| New Brunswick | 1,003,721 | 64,307 | 24,216 | 1,043,812 |
| Quebec | 128,398 | 6,099 | 3,078 | 131,419 |
| Ontario | 16,078,223 | 1,086,695 | 445,777 | 16,719,141 |
| Manitoba | 1,911,909 | 114,972 | 47,683 | 1,979,198 |
| Saskatchewan | 1,577,117 | 101,867 | 40,357 | 1.638,627 |
| Alberta | 4,209,336 | 311,940 | 76,618 | 4,444,658 |
| British Columbia | 4,896,892 | 345,289 | 128,135 | 5.114.046 |
| Yukon Territory | 3,726 | | | 3,726 |
| | 32,057,517 | 2,172,119 | 819,227 | 33,410,409 |
| Canada | 3,005,600 | 71,112 | 4,059 | 3,072,653 |
| | 35,063,117 | 2,243,231 | 823,286 | 36,483,062 |

Approved on behalf of the Department of National Health and Welfare:

J. G. SOAR Assistant Deputy Minister Income Security Programs

RICHARD DICERNI for MARGARET CATLEY-CARLSON Deputy Minister

NOTES TO STATEMENTS FOR THE YEAR ENDED MARCH 31, 1990

1. (a) Description and authority

The Canada Pension Plan is a 1965 Act of Parliament, to establish a comprehensive program of old age pensions and supplementary benefits in Canada, payable to, and in respect of, contributors. This compulsory and contributory social insurance plan (the Plan) enables members of the labour force to acquire and retain protection for themselves and their families against loss of income due to retirement, disability or death. The Plan applies in all parts of Canada, except for the Province of Quebec which has a parallel plan.

Under the existing Canada Pension Plan legislation, benefits and costs incurred in the administration of the Plan are financed from the contributions made by employees, employers and self-employed persons and from interest earned on the investment of funds not immediately needed for benefits and administrative costs.

The Canada Pension Plan Account (the Account) was established in the accounts of Canada by Section 108.(1) of the Canada Pension Plan to record the contributions, interest, benefits and expenses of the Plan. The authority to pay

benefits under the Plan is limited to the balance of the Account which was \$39,445 million at March 31, 1990.

The Canada Pension Plan Investment Fund (the Fund) was established in the accounts of Canada by Section 109.(1) of the Canada Pension Plan to record the investment in securities of the provinces, territories and Canada.

(b) Financing

The Canada Pension Plan was amended by Bill C-116 with effect from January 1, 1987. The revised legislation requires that the first review of the 25 year schedule of contribution rates shall take place prior to January 1, 1992, and all subsequent reviews shall take place every fifth year thereafter. Based on this review, the Minister of Finance and ministers of the Crown from the included provinces and territories shall review the rates set out in the schedule, and make recommendations as to whether those rates should be changed and as to whether the schedule should be amended to include contribution rates for an additional five years.

Canada Pension Plan Account and the Canada Pension Plan Investment Fund—Continued

NOTES TO STATEMENTS FOR THE YEAR ENDED MARCH 31, 1990—Continued

Any major amendments to the Plan that would alter the general level of benefits or the rate of contributions, requires agreement by at least two-thirds of the 10 provinces having an aggregate of not less than two-thirds of the population.

The current schedule of contribution rates provides for an increase, from the 1986 rates of 3.6%, progressively by 0.2 percentage points each year until 1991, and by 0.15 percentage points thereafter until 2011, when it will reach 7.6%.

The Minister of Finance, and ministers of the Crown from the included provinces and territories, are currently reviewing the contribution rates in line with statutory requirements. This review will be completed in time to put the new 25 year contribution rate schedule into effect by January 1, 1992.

The most recent Actuarial Report as at December 31, 1988, by the Chief Actuary of the Office of the Superintendent of Financial Institutions, reveals that the desirable 2:1 ratio (to be maintained in accordance with the provisions of section 113.1 (4) (c) of the revised legislation) of the Canada Pension Plan Account balance to projected annual payments, will be maintained until 1999. This report was tabled in Parliament in January 1990.

2. Accounting policies

Canada Pension Plan Account

The amounts credited and charged to the Account are in accordance with Sections 108.(2) and 108.(3) of the Canada Pension Plan, respectively. Contributions, interest and benefits are recorded on a cash basis. Contributions are received from Revenue Canada—Taxation based on estimates of collections for the current year and adjustments to the estimates of prior years. Expenses are recorded on an accrual basis. The balance of the Account represents the accumulated excess of contributions and interest over benefits and expenses to date.

Canada Pension Plan Investment Fund

The amounts charged and credited to the Fund are in accordance with Section 109.(2) of the Canada Pension Plan. All securities held are carried at cost, are non-negotiable and have a term of 20 years or such lesser period as may be determined by the Minister of Finance on the recommendation of the Chief Actuary of the Office of the Superintendent of Financial Institutions.

3. Interest

| | 1990 | 1989 |
|--------------------------------------|---------------|---------------|
| | (in thousands | s of dollars) |
| Interest on investment in securities | | |
| held by the Fund. | | |
| Provinces and territory | | |
| Newfoundland | 79,955 | 76,769 |
| Prince Edward Island | 17,074 | 16,301 |
| Nova Scotia | 150,431 | 142,948 |
| New Brunswick | 109,540 | 105,125 |
| Quebec | 13,014 | 12,675 |
| Ontario | 1,767,892 | 1,718,713 |
| Manitoba | 207,526 | 199,897 |
| Saskatchewan | 172,190 | 165,306 |
| Alberta | 465,534 | 440,428 |
| British Columbia | 538,761 | 519,183 |
| Yukon Territory | 360 | 360 |
| | 3,522,277 | 3,397,705 |
| Canada | 303,628 | 264,133 |
| | 3,825,905 | 3,661,838 |
| Interest on operating balance on | | |
| deposit with the Receiver General | | |
| for Canada, at a weighted average | | |
| rate of 11.98% {1989; 9.70%} | 355,956 | 250,426 |
| | 4,181,861 | 3,912,264 |

The weighted average rate of interest on securities purchased during the year was 9.90% (1989: 10.08%).

4. Expenses

Expenses of the Account represent the costs of administration charged by six federal government departments: Health and Welfare (administration); Revenue Canada—Taxation (collection of contributions); Supply and Services (cheque issue and computer services); Public Works (accommodation); Employment and Immigration (assignment of social insurance numbers and maintenance of central index); and, the Office of the Superintendent of Financial Institutions (actuarial services).

5. Investment in securities

Operating balances on deposit with the Receiver General in excess of estimated cash requirements for the following three-month period are available for purchases of securities of the provinces, territories and Canada. As required by the Canada Pension Plan, the monies available for security purchases are allocated to the provinces and territories based on the proportion of contributions credited to the Account during the preceding 10 years in respect of employment in a given province or a territory to the total contributions in those years. The portion attributed to certain other employees outside Canada continues to be invested in securities of Canada.

The securities of Quebec relate to the contributions of certain federal employees, such as members of the Canadian Armed Forces, who are residents in the Province of Quebec.

Canada Pension Plan Account and the Canada Pension Plan Investment Fund—Concluded

NOTES TO STATEMENTS FOR THE YEAR ENDED MARCH 31, 1990—Concluded

6. Contingency

Two legal actions are pending in the Federal Court of Canada, Trial Division citing the Canadian Charter of Rights and Freedoms. These actions, by claimants for survivor benefits, allege that certain provisions of the Canada Pension Plan legislation discriminate on the basis of age. The estimated claim for these actions is \$34,484. If they are successful, similar claims against the Canada Pension Plan Account could arise amounting to \$170 million.

Government Annuities Account

AUDITOR'S REPORT

TO THE MINISTER OF EMPLOYMENT AND IMMIGRATION

I have examined the balance sheet of the Government Annuities Account as at March 31, 1990 and the statements of operations and actuarial reserves and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Account as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Account that have come to my notice during my examination of the financial statements have, in all significant respects, been in accordance with section 15 of the Government Annuities Act, section 15 of the Government Annuities Improvement Act, and the Regulations.

Raymond Dubois, F.C.A.
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada August 2, 1990

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BALANCE SHEET AS AT MARCH 31, 1990 (in thousands of dollars)

| ASSETS | 1990 | 1989 | LIABILITIES | 1990 | 1989 |
|--|--------------------------|--------------------------|---------------------------------|------------------|------------------|
| Deposit with Receiver General for Canada | 844,432 62,232 176 | 882,943 65,224 109 | Actuarial surplus due to Canada | 2,513 904,327 | 3,052 945,224 |
| | 906,840 | 948,276 | | 906,840 | 948,276 |

Approved by the Canada Employment and Immigration Commission:

A. KROEGER Chairman

H. BRAITER
Executive Director
Finance and Administration

Government Annuities Account—Continued

STATEMENT OF OPERATIONS AND ACTUARIAL RESERVES

FOR THE YEAR ENDED MARCH 31, 1990 (in thousands of dollars)

| _ | 1990 | 1989 |
|---|---------------------|---------------------|
| Payments and other charges Annuity payments Premium refunds | 99,072 1,654 | 100,077 2.000 |
| Unclaimed annuities | 279 | 223 |
| - | 101,005 | 102,300 |
| Income Interest from Canada Premiums Other | 62,232 349 40 | 65,224 458 78 |
| | 62,621 | 65,760 |
| Excess of payments and other charges over income for the year | 38,384 | 36,540 |
| the year | 945,224 | 984,816 |
| Actuarial surplus—Excess of recorded actu- | 906,840 | 948,276 |
| arial reserves over calculated actuarial reserves at end of the year | 2,513 | 3,052 |
| Actuarial reserves, balance at end of the year (Note 3) | 904,327 | 945,224 |
| Accumulated premiums and accrued interest for unmatured annuities Present value of matured annuities | 221,684 682,643 | 249,616 695,608 |
| Total actuarial reserves (Note 3) | 904,327 | 945,224 |

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED MARCH 31, 1990 (in thousands of dollars)

| _ | 1990 | 1989 |
|---|---------|---------|
| Funds were used for: | | |
| Operations | | |
| Excess of payments and other charges over income for the year Decrease in accrued interest and | 38,384 | 36,540 |
| accounts receivable | -2,925 | -2,646 |
| _ | 35,459 | 33,894 |
| Actuarial surplus remitted to Consolidated Revenue Fund | 3,052 | 2,737 |
| Total funds used | 38,511 | 36,631 |
| Deposit with Receiver General for Canada, balance at beginning of the year | 882,943 | 919,574 |
| Deposit with Receiver General for Canada, balance at end of the year | 844,432 | 882,943 |

NOTES TO FINANCIAL STATEMENTS MARCH 31, 1990

1. Authority and purpose

The Government Annuities Account was established in 1908 by the Government Annuities Act, (the "Act"), as modified by the Government Annuities Improvement Act, (the "Improvement Act").

I WHEN THE WAR THE THE PARTY OF THE PARTY OF

The purpose of the Act was to assist individuals and groups of Canadians to provide for their later years by purchasing Government annuities. The Improvement Act increased the rate of return on Government annuity contracts to a rate of seven percent, increased their flexibility and discontinued future sales.

The Account is administered by the Canada Employment and Immigration Commission and operates through the Consolidated Revenue Fund.

2. Significant accounting policies

(a) Basis of accounting

The accounts of the Government Annuities Account are maintained on an accrual basis.

had there are

(b) Actuarial reserves

Actuarial reserves comprise: (i) in respect of unmatured annuities, accumulated premiums and accrued interest, and (ii) in respect of matured annuities, the present value of such annuities actuarially determined on the basis of such rate or rates of interest and mortality tables as is prescribed.

(c) Actuarial surplus due to Canada

If at the end of any fiscal year the recorded amount of actuarial reserves exceeds or is less than the calculated amount of actuarial reserves, the difference results in an actuarial surplus or deficit which is remitted to or recovered from the Consolidated Revenue Fund.

(d) Interest from Canada

Interest from Canada is calculated on actuarial reserves as prescribed by the Improvement Act.

(e) Unclaimed annuities

Unclaimed annuities represent amounts transferred to the Consolidated Revenue Fund in respect of annuities that could not be paid because the annuitants could not be located.

(f) Services provided without charge

Administrative services are provided to the Account by the Canada Employment and Immigration Commission and by other Government departments without charge.

Government Annuities Account—Concluded

NOTES TO FINANCIAL STATEMENTS MARCH 31, 1990—Concluded

3. Actuarial reserves

The method utilized to calculate the actuarial reserves of \$904,327,000 (1989—\$945,224,000) is in accordance with subsection 15(1) of the Government Annuities Improvement Act and the Regulations pertaining thereto.

The Government Annuities Regulations provide that the Mortality Tables to be used in determining the values of annuities shall be the Annuity Tables for 1949 modified by Projection Scale C.

The Commission undertakes an annual review of mortality experience to monitor the appropriateness of the mortality tables for valuation purposes. The results of the last study, completed in March 1990, indicate that the mortality tables in use continue to be appropriate for such purposes.

Royal Canadian Mounted Police (Dependents) Pension Fund

AUDITOR'S REPORT

TO THE SOLICITOR GENERAL OF CANADA

I have examined the statement of revenues, expenditures and fund balance of the Royal Canadian Mounted Police (Dependants) Pension Fund for the year ended March 31, 1990. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, this financial statement presents fairly the revenues and expenditures of the Fund and its balance for the year ended March 31, 1990 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

D. Larry Meyers, F.C.A. Deputy Auditor General for the Auditor General of Canada

Ottawa, Canada July 16, 1990

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE FOR THE YEAR ENDED MARCH 31, 1990

| | 1990 | 1989 |
|---|------------|------------|
| | \$ | \$ |
| Revenues | | |
| Interest | 1,944,047 | 1,832,113 |
| Contributions | 19,917 | 23,331 |
| | 1,963,964 | 1,855,444 |
| Expenditures | | |
| Pensions | 758,279 | 713,258 |
| Contributions withdrawn | 35,921 | 17,470 |
| | 794,200 | 730,728 |
| Excess of revenues over expenditures | 1,169,764 | 1,124,716 |
| Fund balance at the beginning of the year | 17,905,336 | 16,780,620 |
| Fund balance at the end of the year | 19,075,100 | 17,905,336 |

Certified correct:

NICOLE THÉRIEN for the Manager District Services Officer

Approved:

NORMAN D. INKSTER Commissioner

NOTES TO THE FINANCIAL STATEMENT MARCH 31, 1990

1. Authority and operations

The Royal Canadian Mounted Police (Dependants) Pension Fund was established in 1934 by the Royal Canadian Mounted Police Pension Continuation Act. The Act provides for members of the Force, other than commissioned officers, appointed before March 1, 1949, to purchase certain survivorship benefits for their dependants by payment of specified contributions. The Fund is credited with these contributions together with interest computed quarterly on the balance to the credit of the Fund at the end of the preceding quarter, and charged with contributions withdrawn and pensions. All transactions of the Fund are made through the Consolidated Revenue Fund.

CONTRACTOR OF A CONTRACTOR

Section 56 of the Act directs the Minister of Finance to have an actuarial valuation of the Fund made at least once every 5 years. If the actuarial valuation discloses a surplus, the Governor in Council may, by order, increase pensions. If there is an actuarial deficiency, the Governor in Council may direct that there be credited to the Fund, out of any unappropriated moneys in the Consolidated Revenue Fund, such amount as may be required to re-establish solvency of the Fund.

2. Significant accounting policy

Revenues and expenditures are recorded on the accrual basis.

3. Supplementary information

The most recent actuarial valuation was made as at March 31, 1988. The valuation disclosed an actuarial surplus of \$2,422,873. A portion of the surplus was distributed by an increase in the basic pension amount of 20% as at April 1, 1989 with a further increase of 20% to be effective April 1, 1990.

SECTION 8

1989-90 PUBLIC ACCOUNTS

Other Liabilities

CONTENTS

| Interest and matured debt |
|---|
| Accounts payable |
| Outstanding cheques and warrants |
| Allowance for employee benefits |
| Allowance for borrowings of agent enterprise Crown corpora- |
| tions expected to be repaid by the Government |
| Miscellaneous |

OTHER LIABILITIES

This section contains information on accounts reported on the Statement of Assets and Liabilities under "Other Liabilities". The establishment and operation of these accounts is authorized by Parliament in annual appropriation acts and other legislation.

Chart A presents other liabilities by category for the current fiscal year, while Chart B compares other liabilities for the last five fiscal years. Table 8.1 presents the year-end balances for other liabilities.

Other tables in this section present the net increase or decrease for certain accounts, as well as the opening and closing balances, and in certain cases, receipts and other credits, and payments and other charges.

CHART A
OTHER LIABILITIES
(in millions of dollars)

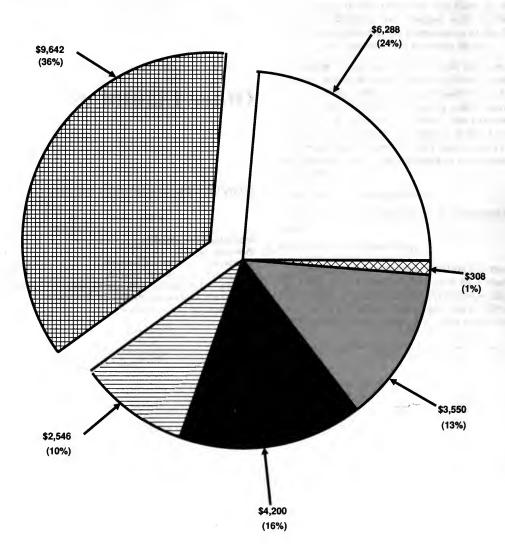




CHART B
OTHER LIABILITIES
(in billions of dollars)

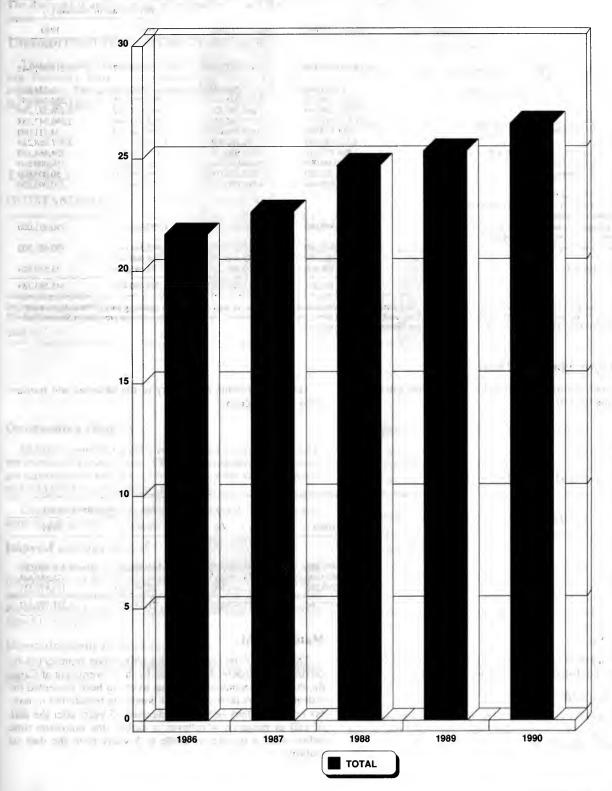


TABLE 8.1

OTHER LIABLITIES

| | | | Net increase o | r decrease (-) | |
|--|----------------|----------------------------|----------------|----------------|------|
| | April 1/1989 | April 1/1989 March 31/1990 | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | |
| Interest and matured debt, Table 8.2 | 10,389,002,164 | 10,317,171,237 | -71,830,927 | -1,215,797,642 | |
| Canada bills | 13,801,910 | 7,994,442 | -5,807,468 | 6,554,853 | |
| Treasury bills | 3,251,989,258 | 4,021,358,343 | 769,369,085 | 1,254,188,801 | |
| | 7,123,210,996 | 6,287,818,452 | -835,392,544 | -2,476,541,296 | |
| Accounts payable | 7,873,953,101 | 9,197,166,450 | 1,323,213,349 | 2,896,947,238 | |
| Accounts payable | 238,240,000 | 444,966,000 | 206,726,000 | 34,111,000 | |
| | 8,112,193,101 | 9,642,132,450 | 1,529,939,349 | 2.931.058.238 | |
| Outstanding cheques and warrants, Table 8.3 | 2,368,723,310 | 2,545,950,191 | 177,226,881 | -354,464,380 | |
| Allowance for employee benefits | 4,050,000,000 | 4,000,000,000 | -50,000,000 | 150,000,000 | |
| Add: consolidation adjustment [1] | 250,000,000 | 200,000,000 | -50,000,000 | 50,000,000 | |
| | 4,300,000,000 | 4,200,000,000 | -100,000,000 | 200,000,000 | |
| Allowance for borrowings of | | | , | 200,000,000 | |
| agent enterprise Crown corporations expected to be repaid by the Government— | | | | | |
| Borrowings of agent enterprise Crown corporations Less: borrowings expected to be repaid by these | 15,000,549,000 | 16,707,897,000 | 1,707,348,000 | 190,491,000 | |
| enterprise Crown corporations | 11,815,549,000 | 13.157.897.000 | 1,342,348,000 | 190,491,000 | |
| emerprise crown corporations | 3,185,000,000 | 3,550,000,000 | 365,000,000 | 190,491,000 | |
| Miscellaneous, Table 8.4 | 235,236,850 | 307,883,626 | 72,646,776 | 45,510,823 | |
| Total | 25,324,364,257 | 26,533.784,719 | 1,209,420,462 | 345,563,385 | |

^[1] In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

Interest and Matured Debt

Interest and matured debt includes interest due, interest accrued and matured debt.

Table 8.2 presents a summary of the balances and transactions in this account.

TABLE 8.2
INTEREST AND MATURED DEBT

| | | | Net increase o | r decrease (-) |
|-----------------|------------------------------|------------------------------|--------------------------|--------------------------|
| | April 1/1989 | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ |
| Interest due | 4,246,491,862 | 4,105,092,867 | -141,398,995 | -1,404,860,003 |
| nterest accrued | 5,799,619,906 342,890,396 | 5,854,196,385 357,881,985 | 54,576,479 14,991,589 | 75,588,840 113,473,51 |
| Total | 10,389,002,164 | 10,317,171,237 | -71,830,927 | -1,215,797,64 |

Interest due

Interest due is the interest on the bonded debt, which is due and payable but has not been redeemed by bond holders.

Interest accrued

Interest accrued is the interest accumulated as at March 31 on the bonded debt and certain other liabilities, that is not payable until a future date.

Matured debt

This account records financial obligations represented by certificates of indebtedness issued by the Government of Canada, that have become due but that have not been presented for redemption. Unclaimed matured bonds are transferred to nontax revenue if they remain unredeemed 15 years after the date of call or maturity, whichever is earlier; the minimum time before such a transfer is made is 5 years from the date of maturity.

Unamortized Discount on Canada Bills

This account records the portion of the discount on outstanding Canada bills which has not yet been charged to expenditure. The discount is amortized as an expenditure over the term of issue.

Unamortized Discount on Treasury Bills

This account records the portion of the discount on outstanding Treasury bills which has not yet been charged to expenditure. The discount is amortized as an expenditure over the term of issue.

Accounts Payable

This account records amounts owing at the year end pursuant to contractual arrangements, or for work performed, goods received, or services rendered, relating to appropriations on which Parliament has imposed annual ceiling, accrued amounts to be paid from certain statutory authorities, and accrued financial obligations of consolidated Crown corporations.

Outstanding Cheques and Warrants

This account records cheques and warrants issued but not yet presented for payment.

Table 8.3 presents a summary of the balances in this account.

TABLE 8.3
OUTSTANDING CHEQUES AND WARRANTS

| | | | Net increase or decrease (-) | | |
|---|---|---|--|--------------------------------------|--|
| | April 1/1989 | March 31/1990 | 1990 | 1989 | |
| | \$ | \$ | \$ | \$ | |
| Outstanding cheques Imprest account cheques Unemployment insurance warrants | 2,089,945,148 798,187 277,979,975 | 2,291,257,381 632,493 254,060,317 | 201,312,233 -165,694 -23,919,658 | -386,539,814 79,463 31,995,971 | |
| Total | 2,368,723,310 | 2,545,950,191 | 177,226,881 | -354,464,380 | |

Outstanding cheques

Cheques issued in Canadian dollars, and unpaid at March 31, are recorded in this account. Cheques outstanding for 10 years are transferred to non-tax revenue. During the year, an amount of \$2,352,723 was transferred to revenue.

Cheques in foreign currencies are credited to the Government's cash account at the time of issue.

Imprest account cheques

Imprest account cheques issued and unpaid at March 31, with the exception of those outstanding for 10 years or more (which have been transferred to non-tax revenue), are recorded in this account. During the year, an amount of \$142,566 was transferred to revenue.

Unemployment insurance warrants

This account records outstanding Unemployment insurance benefit warrants.

Allowance for Employee Benefits

This account records allowances for amounts owing for earned and unpaid annual vacation leave, for employee benefits payable upon termination of employment and for unsigned pay adjustments.

Allowance for Borrowings of Agent Enterprise Crown Corporations Expected to be Repaid by the Government

In accordance with Section 54 of the Financial Administration Act, the payment of all money borrowed by agent enterprise Crown corporations, and interest thereon, is a charge on and payable out of the Consolidated Revenue Fund. Such borrowings therefore constitute unconditional obligations of the Government.

This account reports the borrowings of agent enterprise Crown corporations expected to be repaid by the Government (see Table 6.7 in Section 6 of this volume).

Other Liabilities—Miscellaneous

Table 8.4 presents a summary of the balances and transactions for other miscellaneous liabilities.

TABLE 8.4
OTHER LIABILITES—MISCELLANEOUS

| | | | | | Net increase of | r decrease (-) |
|--|--------------|----------------------------|----------------------------|---------------|-----------------|----------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Eldorado Mining and Refining Limited— | | | | | | |
| Unpresented capital stock | 23,695 | | | 23,695 | | |
| Miscellaneous departmental paylist deductions | 15,895,228 | 32,846,411 | | 48,741,639 | 32,846,411 | 25,239,573 |
| Contractors' and other holdbacks— | 10,000,220 | 32,010,111 | | , 40,741,057 | 32,040,411 | 23,239,313 |
| | 1 214 679 | 475 004 | 90 697 | 1 600 075 | 207.207 | 224.050 |
| Agriculture | 1,216,678 | 475,984 | 89,687 | 1,602,975 | 386,297 | -224,052 |
| Atlantic Canada Opportunities | 0.000 | 25.425 | | | | |
| Agency | 9,028 | 37,427 | 39,822 | 6,633 | -2,395 | 9,028 |
| Communications | 505,886 | 1,131,656 | 671,618 | 965,924 | 460,038 | -445,867 |
| Canadian Radio-television and Telecom- | | | | | | |
| munications Commission | 4,246 | | 4,246 | | -4,246 | 3,319 |
| National Archives of Canada | 13,074 | 6,303 | 13,074 | 6,303 | -6,771 | 13,074 |
| National Library | 9 | | 9 | | -9 | -2,237 |
| Consumer and Corporate Affairs | 134,826 | 121,588 | 129,581 | 126,833 | -7.993 | 15,823 |
| Employment and Immigration | 60,945 | 143,048 | 70,601 | 133,392 | 72,447 | -57,473 |
| Energy, Mines and Resources | 10,678,804 | 9,762,819 | 14,293,794 | 6,147,829 | -4,530,975 | 220,237 |
| Atomic Energy Control | 10,070,004 | 7,702,017 | 17,275,177 | 0,147,029 | -,550,515 | 220,231 |
| Board | 189,604 | 223,401 | 192,731 | 220,274 | 20.670 | 66 600 |
| | | | | | 30,670 | 66,602 |
| Environment | 2,896,382 | 43,316 | 455,954 | 2,483,744 | -412,638 | -637,934 |
| External Affairs Canadian International Development | 3,369,057 | | 1,404,458 | 1,964,599 | -1,404,458 | -798,632 |
| Agency | 16,416,603 | 19,716,600 | 21,434,328 | 14,698,875 | -1,717,728 | 1,736,508 |
| Fisheries and Oceans | 1,707,181 | 3,003,307 | 2,647,113 | 2,063,375 | 356,194 | 117,211 |
| Forestry | 792,352 | 500,881 | 626,689 | 666,544 | -125,808 | 387,572 |
| Indian Affairs and Northern Development | 726,094 | 445,193 | 633,539 | 537,748 | -188,346 | 213,504 |
| Industry, Science and Technology | 296,296 | 89,306 | 333,986 | 51,616 | -244,680 | |
| | 290,290 | | 333,980 | | | -1,428 |
| Canadian Space Agency | 2 202 004 | 561,365 | | 561,365 | 561,365 | O HILL TO |
| National Research Council | 3,302,004 | 7,297,992 | 6,230,041 | 4,369,955 | 1,067,951 | 348,461 |
| Justice | 57,044 | 82,921 | | 139,965 | 82,921 | -28,781 |
| National Defence | 92,161,650 | 325,437,288 | 288,898,931 | 128,700,007 | 36,538,357 | 14,014,385 |
| National Health and Welfare | 624,571 | 618,020 | 639,248 | 603,343 | -21,228 | 272,267 |
| National Revenue— | | | | | | |
| Customs and Excise | 197,071 | 47,809 | 87,383 | 157,497 | -39,574 | 88,217 |
| Public Works | 18,977,043 | 42,506,232 | 36,389,123 | 25,094,152 | 6,117,109 | -1,395,519 |
| Solicitor General— | | ,, | 00,000,120 | 20,000,,102 | 0,111,102 | 1,000,010 |
| Administration program | 152,171 | 77,096 | 97,910 | 131,357 | -20,814 | -177,853 |
| Canadian Security Intelligence | 132,171 | 11,090 | 97,910 | 151,557 | -20,014 | -177,033 |
| | | 55 200 | | 55 200 | 55 200 | |
| Service | 276,103 | 55,300 | 200 157 | 55,300 | 55,300 | 02.217 |
| | | 415,018 | 388,157 | 302,964 | 26,861 | -83,217 |
| Royal Canadian Mounted Police | 1,268,587 | 828,635 | 398,624 | 1,698,598 | 430,011 | -966,187 |
| Supply and Services | 2,348,503 | 2,841,101 | 2,660,651 | 2,528,953 | 180,450 | 477,790 |
| Transport | 21,872,835 | 21,966,305 | 18,064,821 | 25,774,319 | 3,901,484 | 2,842,211 |
| National Transportation Agency | 4,393 | 3,405 | 3,594 | 4,204 | -189 | 3,973 |
| Western Economic | | | | | | |
| Diversification | | 24,412 | 5,616 | 18,796 | 18,796 | |
| | 180,259,040 | 438,463,728 | 396,905,329 | 221,817,439 | 41,558,399 | 16,011,002 |
| Provincial sales tax— | 100,207,010 | ,, | 070,700,027 | | 11,000,000 | 10,011,002 |
| Communications— | | | | AUTO-TO-PER | | |
| National Archives of Canada(1) | 2,780 | 7,547 | 9,487 | 840 | -1,940 | |
| National Archives of Canada ^{1} National Library ^{1} | | | | | | 1,124 |
| National Library | 1,094 | 6,563 | 6,122 | 1,535 | 441 | 997 |
| F Missass I Process [1] | 3,874 | 14,110 | 15,609 | 2,375 | -1,499 | 2,121 |
| Energy, Mines and Resources [1] | 7,260 | 136,612 | 141,958 | 1,914 | -5,346 | 391 |
| Correctional Service ^[1] | 224 | 208,500 | 205,996 | 2,728 | 2,504 | -12,647 |
| Royal Canadian Mounted Police 11 | 8 | 36,896 | 36,430 | 474 | 466 | 66 |
| , | - | | | | | |
| | 232 | 245.396 | 242.426 | 3.202 | 2.970 | -12.581 |

The order of the control of the cont

TABLE 8.4

OTHER LIABILITES—MISCELLANEOUS—Concluded

| | | | | | Net increase or decrease (-) | |
|--|--------------------------|----------------------------|----------------------------|--------------------------|------------------------------|-------------------------|
| | April 1/1989 | Receipts and other credits | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ 6 | \$ | \$ |
| Federal sales tax— Solicitor General—Correctional Service ^[1] | 207 | 1,669,351 | 1,669,478 | 80 | -127 | 1,433 |
| Borrowings of consolidated Crown corporations ¹²¹ | 20,997,000 18,050,314 | | 561,000 1,193,032 | 20,436,000 16,857,282 | -561,000 -1,193,032 | -1,701,000 5,969,884 |
| Total | 235,236,850 | 473,375,608 | 400,728,832 | 307,883,626 | 72,646,776 | 45,510,823 |

^[1] This account was reported in Table 7.14 (Section 7 of this volume) in 1988-89.

Eldorado Mining and Refining Limited—Unpresented capital stock

The liability of the Government of Canada for the value of the paid-up capital stock of the former company, which has not been redeemed at the close of the year, is recorded herein.

Miscellaneous departmental paylist deductions

Deductions from the salaries and wages of certain employees are credited to this account pending transmittal to related outside organizations.

During the year, the account was increased by net transactions amounting to \$32,846,411.

Contractors' and other holdbacks

This account records the amounts withheld to ensure that contracts are carried out as stipulated. Holdbacks are charged to appropriations of departments or agencies concerned, and are credited to this account under Section 42 of the Financial Administration Act. They are paid out in accordance with contracts under regulations of the Treasury Board.

Provincial sales tax—National Archives of Canada

This account was established pursuant to Part VII of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act. This Act contains provisions for the collection and remittance of provincial sales tax in connection with the sale of microfilm and reproductions.

Provincial sales tax—National Library

This account was established pursuant to Part VII of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act. This Act contains provisions for the collection and remittance of provincial sales tax in connection with the sale of microfilm and reproductions.

Provincial sales tax—Energy, Mines and Resources

This account was established pursuant to Part VII of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act. This Act contains provisions for the collection and remittance of provincial sales tax in connection with the sale of maps, charts and photographs.

Provincial sales tax—Correctional Service

This account was established pursuant to Part VII of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act. This Act contains provisions for the collection and remittance of provincial sales tax on sales made by the Correctional Service of Canada.

Provincial sales tax—Royal Canadian Mounted Police

This account was established pursuant to Part VII of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act. This Act contains provisions for the collection and remittance of provincial sales tax on sales made by the Royal Canadian Mounted Police.

^{12]} In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

Federal sales tax—Correctional Service

Pursuant to Section 43 of the Penitentiary Regulations, this account is credited with federal sales tax on sales made by the Correctional Service of Canada, and is charged with remittances to National Revenue, Customs and Excise.

Sales tax liability is recognized at the time of sale and is remitted the following month.

Borrowings of consolidated Crown corporations

This account records the unconditional obligations of the Government for the consolidated Crown corporations.

Suspense accounts

Accounts in which transactions are recorded temporarily, pending their ultimate disposition.

During the year, the accounts were decreased by net transactions amounting to \$1,193,032.

SECTION 9

1989-90 PUBLIC ACCOUNTS

Foreign Exchange Accounts

CONTENTS

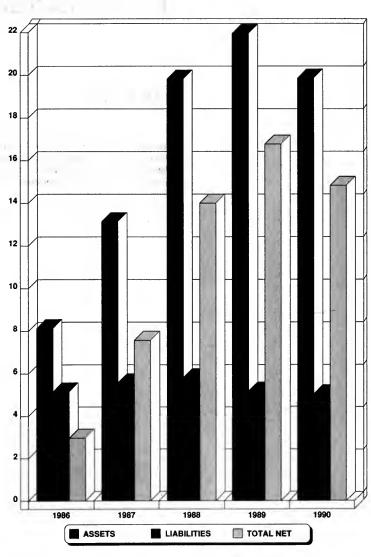
| | Page |
|--|------|
| International reserves held in the Exchange Fund Account | 9.3 |
| International Monetary Fund—Subscriptions | 9.4 |
| International Monetary Fund—Notes payable | 9.4 |
| Special Drawing Rights allocations | 9.4 |
| Supplementary statement— | |
| Exchange Fund Account | 9.5 |

FOREIGN EXCHANGE ACCOUNTS

Foreign exchange accounts represent financial claims and obligations of the Government of Canada which are identified with Canada's foreign exchange operations. Financial claims and obligations denominated in foreign currencies are reported at Canadian dollar equivalents at March 31. Net gains resulting from the translation of the net assets denominated in foreign currencies, to Canadian dollar equivalents as at March 31, are credited to revenue as premium and discount on exchange, and net losses are charged to budgetary expenditure of the Department of Finance.

Chart A compares the foreign exchange assets and liabilities for the last five fiscal years. Table 9.1 presents the continuity of each foreign exchange account, by showing the opening and closing balances, as well as receipts and other credits, and payments and other charges. It should be noted, however, that this table excludes unmatured debt payable in foreign currencies, amounting to \$5,675 million as at March 31, 1990 (\$8,320 million as at March 31, 1989); details relating to these obligations are presented in Section 10 of this volume.

CHART A
FOREIGN EXCHANGE ACCOUNTS
(in billions of dollars)



1 1 1

TABLE 9.1

FOREIGN EXCHANGE ACCOUNTS

| | | Receipts and April 1/1989 other credits | | | Net increase or decrease (-) | |
|---|----------------|---|-------------------------------|----------------|------------------------------|---------------|
| | April 1/1989 | | Payments and other charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | . \$ | \$ | \$ |
| International reserves held in the Exchange | | | | | | |
| Fund Account | 17,421,825,621 | 57,376,926,144 | 55,348,043,405 | 15,392,942,882 | -2,028,882,739 | 2,643,360,490 |
| International Monetary Fund—Subscriptions | 4,533,727,960 | 59,525,840 | | 4,474,202,120 | -59,525,840 | -504,675,600 |
| | 21,955,553,581 | 57,436,451,984 | 55,348,043,405 | 19,867,145,002 | -2,088,408,579 | 2,138,684,890 |
| Less: International Monetary Fund—Notes | | | | 0.013 | | |
| payable | 3,984,350,322 | 539,972,461 | 665,421,351 | 3,858,901,432 | -125,448,890 | -495,854,357 |
| Special Drawing Rights allocations | 1,201,322,292 | | 15,772,829 | 1,185,549,463 | -15,772,829 | -133,726,164 |
| | 5,185,672,614 | 539,972,461 | 681,194,180 | 5,044,450,895 | -141,221,719 | -629,580,521 |
| Total foreign exchange accounts | 16,769,880,967 | 57,976,424,445 | 56,029,237,585 | 14,822,694,107 | -1,947,186,860 | 2,768,265,411 |

International Reserves Held in the Exchange Fund Account

This account records the moneys advanced from the Government of Canada to the Exchange Fund Account, in Canadian and other currencies, for the purchase of gold, foreign currencies and securities, and Special Drawing Rights (SDRs).

The Exchange Fund Account is operated under the provisions of the Currency Act. In accordance with this Act, audited financial statements for the Exchange Fund Account are prepared for each calendar year. The financial statements as at December 31, 1989, together with the Auditor General's report thereon, are found at the end of this section.

Table 9.2 shows foreign exchange reserves held by and advances to the Exchange Fund Account as at March 31, 1990. Gold held by the Account is valued at 35 SDRs per fine ounce (\$53.25 Cdn as at March 31, 1990 and \$53.99 Cdn as at March 31, 1989).

In 1989-90, payments and other charges consisted of advances to the Exchange Fund Account in the amount of \$54,930.3 million and an adjustment of \$417.7 million to recognize the net income of the Exchange Fund Account for the period January 1 to March 31. Receipts and other credits consisted of repayments of advances of \$57,238.1 million and a valuation adjustment of \$138.8 million.

TABLE 9.2

INTERNATIONAL RESERVES HELD IN THE EXCHANGE FUND ACCOUNT (in millions of dollars)

| | March 31/ 1990 | March 31/ 1989 |
|--|-------------------|-------------------|
| | | |
| US cash on deposit | 219 | 107 |
| US dollar short-term deposits | 362 | 2,443 |
| US dollar investments | 8,490 | 10,325 |
| Deutsche marks cash on deposits | 19 | 8 |
| Deutsche marks short-term deposits | 1,441 | 1,331 |
| Japanese yen cash on deposit | 23 | 456 |
| Japanese yen short-term deposits | 2,234 | 9 |
| Swiss francs cash on deposits | {1} | 1 |
| Swiss francs short-term deposits | 140 | 217 |
| Special Drawing Rights | 1,616 | 1,605 |
| International Monetary Fund notes | | {1} |
| Gold | 848 | 919 |
| Canadian cash on deposit | 1 | 1 |
| Total | 15,393 | 17,422 |
| US dollars [1990, US \$ 4,190 million; 1989, US \$ 5,197 million] | 4,900 | 6,197 126 |
| Swiss francs [1990, SF 400 million; | | -04 |
| 1989, SF 700 million} | 312 | 502 |
| Japanese yen { 1990, Y 60,000 million; | 140 | |
| 1989, Y 140,000 million} | 443 | 1,258 |
| Special Drawing Rights | | |
| [1990, SDR 383.3 million; 1989, | 502 | 501 |
| SDR 383.3 million} | 583 | 591 |
| Canadian dollar deposit with the | 0.727 | 0.202 |
| Receiver General for Canada | 8,737 | 8,392 |
| Total advances from the Consolidated Revenue Fund | 14,975 | 17,066 |
| Total net income from January 1 to | | |
| March 31 | 418 | 356 |
| Total | 15,393 | 17,422 |

^{1} Less than \$500,000.

International Monetary Fund—Subscriptions

This account records the value of Canada's subscription (its "quota") to the capital of the International Monetary Fund (IMF).

The amount by which the sum of Canada's subscriptions plus loans to the IMF under special facilities exceeds the IMF's holdings of Canadian dollars represents the amount of foreign exchange which Canada is entitled to draw from the IMF on demand for balance of payments purposes. The subscription is expressed in terms of the SDR, a unit of account defined in terms of a "basket" of five major currencies.

Canada has accumulated its subscriptions through settlements to the IMF in Canadian dollars, gold and SDRs. Annual maintenance of value payments are made to, or received from, the IMF when the Canadian dollar depreciates or appreciates against the SDR, in order to maintain the SDR-value of the IMF's holdings of Canadian dollars. In 1989-90, receipts and other credits consisted of a maintenance of value adjustment of \$53.8 million and a valuation adjustment of \$5.7 million.

International Monetary Fund—Notes Payable

This account records non-marketable, non-interest bearing notes issued by the Government of Canada to the IMF. These notes are payable on demand and are subject to redemption or re-issue, depending on the needs of the IMF for Canadian currency.

Canadian dollar holdings of the IMF include these notes and a small working balance (initially equal to one-quarter of one percent of Canada's subscription) held on deposit at the Bank of Canada. In 1989-90, notes payable to the IMF decreased by \$125.4 million.

Special Drawing Rights Allocations

This account records the value of SDRs allocated to Canada by the IMF. The Special Drawing Right is an international currency created by the IMF, and allocated to countries participating in its Special Drawing Rights Department. It represents a liability of Canada, as circumstances could arise whereby Canada could be called upon to repay these allocations, in part or in total.

As an asset, SDRs represent rights to purchase currencies of other countries participating in the IMF's Special Drawing Rights Department, as well as to make payments to the IMF itself. All SDRs allocated to Canada by the IMF have either been used to settle subscriptions in the IMF, or have been advanced to the Exchange Fund Account.

There was no allocation of SDRs by the IMF to Canada during the year. In 1989-90, payments and other charges consisted of a valuation adjustment of \$15.8 million.

SUPPLEMENTARY STATEMENT Exchange Fund Account

AUDITOR'S REPORT

TO THE MINISTER OF FINANCE

I have examined the balance sheet of the Exchange Fund Account as at December 31, 1989 and the statement of income for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the Exchange Fund Account for the year ended December 31, 1989 has complied, in all significant respects, with the applicable provisions of the Currency Act.

Further, in my opinion, the financial statements present fairly the financial position of the Exchange Fund Account as at December 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies set out in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

D. Larry Meyers, F.C.A.
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada February 23, 1990

BALANCE SHEET AS AT DECEMBER 31, 1989 (in millions of dollars)

| ASSETS | | 1989 | 19 | 88 | LIABILITIES | 1989 | 1988 |
|--|--------------------|--------------------|--------------------|--------------------|--|---------------------|---------------------|
| | US | Cdn | US | Cdn | | Cdn | Cdn |
| Denominated in US dollars Cash and short-term deposits Securities (Note 3) | 1,848.2 7,046.4 | 2,141.2 8,163.2 | 3,321.0 7,137.2 | 3,960.3 8,511.1 | Provision for valuation losses on uncompleted contracts (Note 8) | 4.5 | 3.5 |
| | 8,894.6 | 10,304.4 | 10,458.2 | 12,471.4 | | | |
| Denominated in other foreign currencies Cash and short-term deposits | 2,604.4 | 3,017.2 | 865.1 | 1,031.6 | Due to the Consolidated Revenue Fund Advances (Note 9) Net income for the year | 14,198.9 1,599.2 | 14,480.9 1,685.5 |
| Denominated in Special Drawing Rights Special Drawing Rights (Note 4) International Monetary Fund | 1,397.8 | 1,619.4 | 1,384.1 | 1,650.5 | | | |
| Note (Note 5) | 741.5 | 859.0 | 42.8 808.0 | 51.0 963.5 | | | |
| | 2,139.3 | 2,478.4 | 2,234.9 | 2,665.0 | | | |
| Official international reserve assets (Note 7) | 13,638.3 | 15,800.0 | 13,558.2 | 16,168.0 | | | |
| Denominated in Canadian dollars Cash | | 2.6 | | 1.9 | | | |
| | | 15,802.6 | | 16,169.9 | _ | 15,802.6 | 16,169.9 |

Approved:

J.W. CROW Governor, Bank of Canada

FRED GORBET Deputy Minister, Department of Finance

JOHN MURRAY Chief, International Department, Bank of Canada

Exchange Fund Account—Continued

STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1989 (in millions of Canadian dollars)

| _ | 1989 | 1988 |
|---|---------|---------|
| Investment income | | |
| Cash and short-term deposits | 358.6 | 234.0 |
| US dollar securities | 782.1 | 690.6 |
| Special Drawing Rights | 129.8 | 65.1 |
| International Monetary Fund notes | 0.4 | 10.6 |
| Gold loans | 17.2 | 7.1 |
| | 1,288.1 | 1,007.4 |
| Other income | | |
| Gain on sales of gold | 420.7 | 647.0 |
| (Note 10) | -109.6 | 31.1 |
| _ | 311.1 | 678.1 |
| Net income for the year due to the Consolidated Revenue Fund | 1.599.2 | 1.685.5 |

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1989

1. Authority and objective

The Exchange Fund Account is governed by Part II of the Currency Act (the Act). The Account is in the name of the Minister of Finance and is administered by the Bank of Canada as fiscal agent.

The main objective of the Account is to aid in the control and protection of the external value of the Canadian dollar and the Minister acquires for the Account those assets which are deemed appropriate for this purpose in accordance with the Act.

2. Significant accounting policies

Valuation of assets

US dollar securities, Special Drawing Rights (SDRs) and International Monetary Fund (IMF) notes are adjusted for amortized premiums and discounts where applicable, and include accrued interest. Gold includes gold loans and accrued interest on gold loans. The Minister of Finance determines the gold valuation policy of the Account (Note 6). Cash and short-term deposits include accrued interest where applicable.

Translation of foreign currencies and SDRs

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the year-end exchange rates in the Canadian foreign exchange market. Assets and liabilities denominated in SDRs are first translated into US dollars at the year-end US dollar value of the SDR, as calculated by the IMF, and then into Canadian dollars. Investment income in foreign currencies is translated into Canadian dollars at the foreign exchange rates prevailing on the date the income is recorded. The assets and liabilities denominated in foreign currencies and SDRs have been translated into Canadian dollars at the following year-end exchange rates:

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| | | - 1.44 |
|-----------------------|----------|----------|
| | 1989 | 1988 |
| US dollar | 1.158500 | 1.192500 |
| Japanese yen | | 0.009547 |
| Swiss franc | 0.750824 | 0.795500 |
| Special Drawing Right | 1.522454 | 1.604750 |
| Deutsche mark | 0.684674 | 0.673500 |
| | | |

Investment income

Investment income is recorded on the accrual basis and includes interest earned, amortization of premiums and discounts, and gains and losses on the sale of securities.

Valuation gains and losses

Valuation gains and losses include the increases and decreases in the value of assets and liabilities arising from the translation of foreign currencies and SDRs during the year and at year end. Valuation gains and losses also include gains or losses on transactions in foreign currencies, SDRs and gold, and on the liquidation of liabilities.

Disposition of net income or loss

The net income or loss for the year, including net valuation gains and losses, is payable or chargeable to the Consolidated Revenue Fund (CRF) within three months after the end of the year in accordance with the Currency Act.

Services provided without charge

The Bank of Canada provides, without charge to the Exchange Fund Account, the administrative, custodial, and fiscal agency services.

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Exchange Fund Account—Continued

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1989—Continued

3. Securities denominated in US dollars

| 3 | 1989 | 1988 | | |
|--------------------------|-----------------------------|----------------|--|--|
| 10000 | (in millions of US dollars) | | | |
| | | | | |
| US Government securities | 6,356.4 277.7 | 6,771.8 | | |
| bonds | 259.5 152.8 | 226.0 139.4 | | |
| O) | 7,046.4 | 7,137.2 | | |

Estimated market value at year end:

1989—US \$7,081 million (Cdn \$8,203 million) 1988—US \$7,050 million (Cdn \$8,407 million)

4. Special Drawing Rights

| | 1989 | 1988 | |
|-------------------------|-----------------------|-----------------|--|
| 14.0 | (in millions of SDRs) | | |
| Held at end of the year | 1,048.1 15.6 | 1,017.4 11.1 | |
| - | 1,063.7 | 1,028.5 | |
| | (in millions of | US dollars) | |
| Held at end of the year | 1,377.4 20.4 | 1,369.2 14.9 | |
| | 1,397.8 | 1,384.1 | |

5. International Monetary Fund notes

| | 1989 | 1988 |
|----------------------------------|-----------------------|----------------|
| _ | (in millions of SDRs) | |
| Supplementary Financing Facility | | |
| notes | | 29.7 |
| Accrued interest | | 2.1 |
| | | 31.8 |
| | (in millions o | of US dollars) |
| Notes | | 39.9 |
| Accrued interest | | 2.9 |
| - | | 42.8 |

These notes represented Canada's participation in the Supplementary Financing Facility established to assist members of the IMF with balance of payments needs. The notes, which were acquired in 1984 and had original terms to maturity of five years, matured in February 1989 and the facility expired.

6. Gold

| | 1989 | 1988 |
|--------------------------------|------------------|--------------|
| | (in thousands of | fine ounces) |
| Held at beginning of the year | | |
| Gold | 14,434.0 | 17,305.4 |
| Gold loans | 2,705.0 | 1,213.0 |
| | 17,139.0 | 18,518.4 |
| Sold during the year | 1,037.9 | 1,379.4 |
| Held at end of the year | 16,101.1 | 17,139.0 |
| Composed of | | |
| Gold | 13,575.8 | 14,434.0 |
| Gold loans | 2,525.3 | 2,705.0 |
| | 16,101.1 | 17,139.0 |
| | (in millions of | US dollars) |
| Held at end of the year | | |
| Gold | 624.4 | 679.9 |
| Gold loans | 116.2 | 127.4 |
| Accrued interest on gold loans | 0.9 | 0.7 |
| | 741.5 | 808.0 |
| | | |

Gold is valued in the Account at 35 SDRs per fine ounce. In keeping with the method of valuation used for other assets, gold holdings were translated into US dollars at the year-end US dollar value of the SDR, and to a Canadian dollar equivalent at the year-end exchange rate for the US dollar.

The book value, market value (as recorded at the London fixings), and approximate Canadian dollar historical cost of gold and gold loans at historical rates of exchange, excluding accrued interest on gold loans, at year end are:

| | 1989 | | 19 | 988 |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|
| | Price per fine ounce | Total value in millions | Price per fine ounce | Total value in millions |
| Book value —\$ US | 46.00 | 740.6 | 47.10 | 807.3 |
| —\$ Cdn | 53.29 | 858.0 | 56.17 | 962.6 |
| Market value—\$ US | 401.00 | 6,456.5 | 410.15 | 7,029.6 |
| —\$ Cdn | 464.56 | 7,479.9 | 489.10 | 8,382.7 |
| Approximate historical cost —\$ Cdn | 36.91 | 594.3 | 36.91 | 632.6 |

The Minister of Finance has authorized loans and/or sales, at market prices, of part of the gold held by the Account, to the Royal Canadian Mint and others.

Exchange Fund Account—Concluded

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1989—Concluded

7. Official international reserve assets

The Account is the principal repository of Canada's official international reserves. At December 31, 1989 total reserves amounted to \$US 16.8 billion (1988—\$US 16.2 billion) of which the EFA accounted for \$US 13.6 billion (1988—\$US 13.6 billion). The remainder \$US 3.2 billion (1988—\$US 2.6 billion) is held by the Bank of Canada and the Consolidated Revenue Fund.

8. Provision for valuation losses on uncompleted contracts

At year end, the Account had uncompleted foreign exchange transactions and swaps. As the exchange rates on these uncompleted contracts differ from the year-end rates at which the Account's assets and liabilities are valued, additional gains or losses will occur upon settlement. The provision for valuation gains or losses on uncompleted contracts arises from the revaluation of such contracts using the year-end rates of exchange and represents the portion of future net gains or losses attributed to the current year.

Under swap arrangements with the Bank of Canada, the Account sells US dollars to the Bank and agrees to repurchase these amounts at the same exchange rates at which they were sold. These contracts are undertaken to assist in the Bank's cash management operations. Outstanding swaps with the Bank of Canada at year end amounted to US \$2,431 million in 1989 (Cdn \$2,820 million) and US \$1,989 million in 1988 (Cdn \$2,375 million).

9. Due to the Consolidated Revenue Fund-Advances

The Account is funded by advances from the Consolidated Revenue Fund. They are currently limited to C\$ 25 billion by Order in Council dated June 30, 1988. No interest is charged to the Account on these advances.

| | | 1989 | 19 | 88 |
|---|--------|----------|---------|----------|
| | Amount | Cdn \$ | Amount | Cdn \$ |
| | | (in mil | lions) | |
| Foreign currencies and SDRs | | | | |
| US dollars | 4,155 | 4,814.1 | 5,394 | 6,432.9 |
| Japanese yen | 60,000 | 482.9 | 140,000 | 1,336.6 |
| Swiss francs | 400 | 300.3 | 952 | 757.3 |
| SDRs | 383 | 583.5 | 383 | 615.1 |
| Deutsche marks | _ | | 200_ | 134.7 |
| | | 6,180.8 | | 9,276.6 |
| Plus Canadian dollar advances from the Consolidated | | | | |
| Revenue Fund | _ | 8,018.1 | _ | 5,204.3 |
| | | 14,198.9 | | 14,480.9 |
| | = | | = | |

The proceeds of Canada's borrowings in foreign currency and allocations of SDRs by the IMF have been advanced from the CRF to the Account. Repayment of foreign currency debt is made using the resources of the Account. Interest payable by Canada on borrowings in foreign currencies and charges on SDR allocations is charged directly to the CRF.

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10. Net valuation gains (losses)

| | | 1989 | | 1988 |
|------------------------------|--------|---------------|------------|--------|
| | Assets | Liabilities | Total | Total |
| | (in mi | llions of Can | adian doll | ars) |
| Japanese yen | -149.9 | 205.6 | 55.7 | 254.6 |
| Swiss francs | -36.4 | 56.0 | 19.6 | 215.6 |
| US dollars | -334.2 | 148.5 | -185.7 | -248.8 |
| Gold | -49.0 | | -49.0 | -152.2 |
| Deutsche marks | 96.7 | 7.2 | 103.9 | 32.4 |
| Special Drawing Rights | -85.6 | 31.5 | -54.1 | -70.5 |
| Net valuation gains (losses) | -558.4 | 448.8 | -109.6 | 31.1 |

SECTION 10

1989-90 PUBLIC ACCOUNTS

Unmatured Debt

CONTENTS

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| Treasury bills | |
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| Canada bills | . 10.12 |
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| Statement of all borrowing transactions on behalf of Her | |
| Majesty | . 10.15 |

UNMATURED DEBT

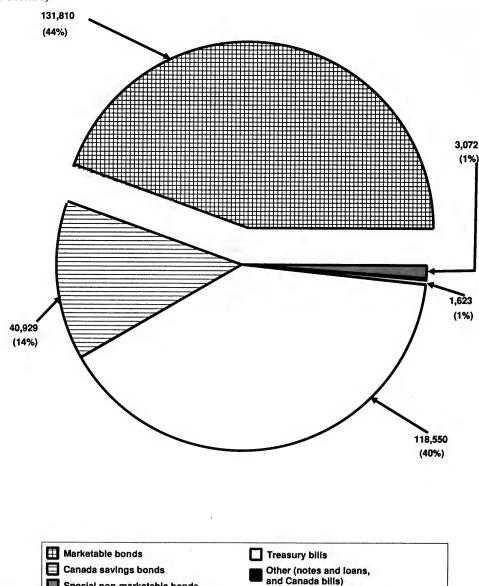
Unmatured debt represents financial obligations resulting from certificates of indebtedness issued by the Government of Canada that have not yet become due.

The Government's holdings of its own securities have been deducted from unmatured debt, to report the amount of the Government's liabilities to outside parties.

Some tables in this section present the continuity of accounts, by showing the opening and closing balances, as well as issues and retirements. In addition, the term "account(s) without current transactions" has been included in some tables, to show the net result of transactions in accounts which were closed out in the previous year.

Chart A presents unmatured debt by category for the current fiscal year while Chart B compares unmatured debt for the last five fiscal years. Table 10.1 presents the transactions and year-end balances of unmatured debt.

CHART A UNMATURED DEBT [1] (in millions of dollars)



⁽¹⁾ Gross basis

Special non-marketable bonds

CHART B UNMATURED DEBT ^{1} (in billions of dollars)

1000

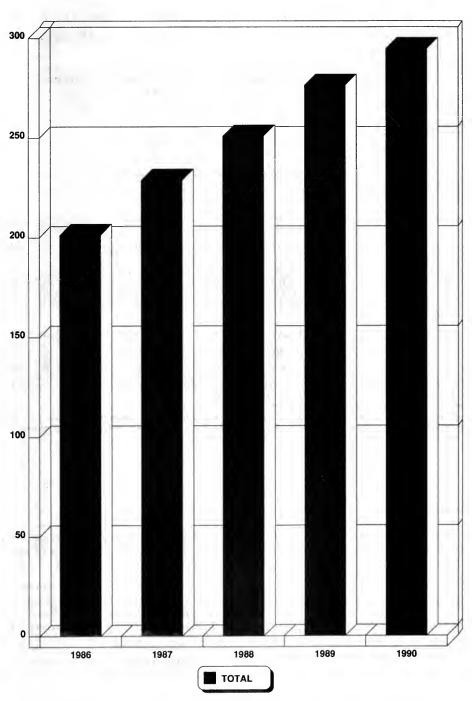


TABLE 10.1
UNMATURED DEBT

| | | | | | Net increase of | r decrease (-) |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | April 1/1989 | Issues | Retirements | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Payable in Canadian currency— | | | | \$ | | |
| Marketable bonds, Table 10.2 | 115,747,759,000 | 21,958,436,324 | 10,024,685,000 | 127,681,510,324 | 11,933,751,324 | 11,849,150,000 |
| Table 10.3 | 47,755,686,300 | 9,328,934,937 | 16,155,944,837 | 40,928,676,400 | -6,827,009,900 | -5,567,811,509 |
| to the Canada Pension Plan Investment | | | | | | |
| Fund, Table 10.4 | 3,005,600,000 | 71,112,000 | 4,059,000 | 3,072,653,000 | 67,053,000 | 513,753,000 |
| Treasury bills, Table 10.5 | 102,700,000,000 | 297,900,000,000 | 282,050,000,000 | 118,550,000,000 | 15,850,000,000 | 21,650,000,000 |
| | 269,209,045,300 | 329,258,483,261 | 308,234,688,837 | 290,232,839,724 | 21,023,794,424 | 28,445,091,491 |
| Less: Government's holdings of unmatured debt— | | | | | | |
| Marketable bonds | 16,074,480 | 134,555,908 | 1,053,388 | 149,577,000 | 133,502,520 | -134,546,355 |
| of employees | 147,989,203 | 241,579,699 | 277,236,516 | 112,332,386 | -35,656,817 | 9,668,372 |
| Plan | 1,002,269,000 | 1,763,153,470 | 1,735,669,470 | 1,029,753,000 | 27,484,000 | 54,093,000 |
| Fund ^[1] | 61,612,000 | | 6,869,000 | 54,743,000 | -6,869,000 | 6,291,000 |
| | 1,227,944,683 | 2,139,289,077 | 2,020,828,374 | 1,346,405,386 | 118,460,703 | -64,493,983 |
| | 267,981,100,617 | 327,119,194,184 | 306,213,860,463 | 288,886,434,338 | 20,905,333,721 | 28,509,585,474 |
| Payable in foreign currencies | | | | | | |
| Marketable bonds, Table 10.2 | 5,373,536,880 | 12,660,000 | 1,257,498,342 | 4,128,698,538 | -1,244,838,342 | -949,492,216 |
| Notes and loans, Table 10.6 | 1,910,772,100 | 12,660,000 | 1,746,301,100 | 177,131,000 | -1,733,641,100 | -2,015,632,400 |
| Canada bills, Table 10.7 | 1,130,740,425 | 7,349,987,693 | 7,034,934,912 | 1,445,793,206 | 315,052,781 | 86,197,790 |
| L C | 8,415,049,405 | 7,375,307,693 | 10,038,734,354 | 5,751,622,744 | -2,663,426,661 | -2,878,926,826 |
| Less: Government's holdings of unmatured debt— | | | | | | |
| Marketable bonds | 95,143,612 | 117,472,168 | 136,974,859 | 75,640,921 | -19,502,691 | 82,794,612 |
| | 8,319,905,793 | 7,257,835,525 | 9,901,759,495 | 5,675,981,823 | -2,643,923,970 | -2,961,721,438 |
| Total unmatured debt | 276,301,006,410 | 334,377,029,709 | 316,115,619,958 | 294,562,416,161 | 18,261,409,751 | 25,547,864,036 |

Note: this table includes unmatured debt issued by the Government of Canada, Borrowings of agent enterprise Crown corporations which are unconditional obligations of the Government, but not included in unmatured debt, can be found in Table 10.11.

This account is now reported in Table 7.2 (Section 7 of this volume).

Marketable Bonds

Marketable bonds are interest-bearing certificates of indebtedness issued by the Government of Canada, and have the following characteristics:

- -bought and sold on the open market;
- -payable in Canadian or foreign currency;
- —subject to call or redemption before maturity;
- -fixed dates of maturity;
- interest payable either in coupon or registered form; and,
- -face value guaranteed at maturity.

Registered marketable bonds are transferable by endorsement and delivery by one holder to another. Bearer marketable bonds need not be endorsed.

Table 10.2 presents a summary of the balances and transactions for marketable bonds. Since most of the marketable bonds are not subject to call or redemption before maturity, exceptions only are noted in the table.

The year-end balances of marketable bonds payable in foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 1990.

¹²⁾ In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

TABLE 10.2

MARKETABLE BONDS

| | | | | | | | | Net increase or | decrease (-) |
|------------------------|----------|--|--------|----------------|-----------------------|----------------------------|----------------|-----------------|---------------|
| Maturity date | % | Issue date | Series | April 1/1989 | Issues ^{1} | Retirements ^[1] | March 31/1990 | 1990 | 1989 |
| | | | | \$ | \$ | \$ | \$ | \$ | \$ |
| Payable in Canadian cu | irrency- | - | | | | | | | |
| Matured 1989-90 | | | | | | | | | |
| 1989 Apr 15 | 9.25 | Dec 15/85-Apr 10/86 | H72 | 275,000,000 | | 275,000,000 | | -275,000,000 | |
| June 1 | 13.25 | June 1/84-June 19/84 | | | | | | | |
| | | July 11/84 | H24 | 525,000,000 | | 525,000,000 | | -525,000,000 | |
| June 6 | 9 | June 6/87 | A5 | 550,000,000 | | 550,000,000 | | -550,000,000 | |
| July 1 | 13.5 | Aug 1/84 | H32 | 150,000,000 | | 150,000,000 | | -150,000,000 | |
| July 1 | 8.5 | Apr 28/86-May 22/86 | | | | | | | |
| , | | July 3/86-July 24/86 Sept 2/86-Oct 1/86 | | | | | | | |
| | | Oct 23/86-Dec 15/86 | H82 | 1,175,000,000 | | 1,175,000,000 | | -1,175,000,000 | |
| Aug 1 | 13.75 | Mar 1/81 | J58 | 442,320,000 | | 442,320,000 | | -442,320,000 | |
| Sept 6 | 9.75 | Sept 6/87 | A9 | 550,000,000 | | 550,000,000 | | -550,000,000 | |
| Oct 1 | 10 | Aug 15/79-June 12/85 | 117 | 550,000,000 | | 220,000,000 | | 000,000,000 | |
| Oct 1 | 10 | July 1/85 | J26 | 450,000,000 | | 450,000,000 | | -450,000,000 | |
| Oct 1 | 10.5 | Oct 1/79-July 1/80 | 320 | 450,000,000 | | 450,000,000 | | 150,000,000 | |
| Oct 1 | 10.5 | | J29 | 775 000 000 | | 775,000,000 | | -775,000,000 | |
| | 10.75 | May 15/83-June 21/83 | | 775,000,000 | | | | | |
| Nov 1 | 10.75 | Jan 7/85 | H49 | 350,000,000 | | 350,000,000 | | -350,000,000 | |
| Nov 1 | 12.25 | Oct 1/84-Oct 24/84 | H40 | 325,000,000 | | 325,000,000 | | -325,000,000 | |
| Dec 6 | 9.25 | Dec 6/87 | A11 | 500,000,000 | | 500,000,000 | | -500,000,000 | |
| Dec 15 | 11.25 | Dec 15/79-Feb 1/80 | | | | | | | |
| | | June 1/80-Aug 1/80 | | | | | | | |
| | | Sept 27/83-Feb 1/84 | | | | | | | |
| | | Mar 13/84 | J33 | 1,075,000,000 | | 1,075,000,000 | | -1,075,000,000 | |
| 1990—Feb 1 | 12 | Nov 14/84-Mar 19/85 | H43 | 400,000,000 | | 400,000,000 | | -400,000,000 | |
| Feb 1 | 13.25 | Mar 31/81 | J60 | 592,912,000 | | 592,912,000 | | -592,912,000 | |
| Feb 26 | 10 | Feb 26/86 | H77 | 500,000,000 | | 500,000,000 | | -500,000,000 | |
| Mar 6 | 8.75 | Mar 6/88 | A14 | 550,000,000 | | 550,000,000 | | -550,000,000 | |
| Mar 15 | 13.75 | Mar 31/80 | J38 | 839,453,000 | | 839,453,000 | | -839,453,000 | |
| Wai 15 | 13.73 | Wiai 51/60 | 330 | 10,024,685,000 | | 10,024,685,000 | | -10,024,685,000 | |
| | | | | 10,024,005,000 | | 10,024,005,000 | | -10,024,005,000 | |
| Maturing 1990-91 | | | | | | | | | |
| 1990—May 1 | 5.25 | May 1/64-July 1/64 | | | | | | | |
| | | Sept 1/65 | CT12 | 225,000,000 | | | 225,000,000 | | |
| May 1 | 5.25 | Apr 1/67 | F12 | 125,000,000 | | | 125,000,000 | | |
| May 1 | 13 | May 1/80 | J41 | 1,784,422,000 | | | 1,784,422,000 | | |
| June 1 | 11.75 | Apr 10/85 | H56 | 150,000,000 | | | 150,000,000 | | |
| June 6 | 9.25 | June 6/88 | A15 | 550,000,000 | | | 550,000,000 | | 550,000,000 |
| | | Jan 29/87-Feb 19/87 | 7115 | 220,000,000 | | | 220,000,000 | | 22010001000 |
| July 1 | 8 | | 1105 | 600 000 000 | | | 600,000,000 | | |
| | ~ - | Mar 15/87 | H95 | 600,000,000 | | | | | |
| Aug 1 | 7.5 | Apr 16/87 | A2 | 500,000,000 | | | 500,000,000 | | |
| Aug 1 | 9 | Aug 11/86-June 1/87 | | | | | 4 005 000 000 | | |
| | | Sept 1/87 | H88 | 1,025,000,000 | | | 1,025,000,000 | | |
| Sept 1 | 10.75 | July 12/83-Feb 1/85 | | | | | | | |
| | | Feb 19/85 | H5 | 550,000,000 | | | 550,000,000 | | |
| Sept 5 | 10.25 | Sept 5/88 | A19 | 650,000,000 | | | 650,000,000 | | 650,000,000 |
| Oct 1 | 10.5 | Aug 15/85-Oct 1/85 | | | | | | | |
| | | Oct 23/85 | H65 | 1,100,000,000 | | | 1,100,000,000 | | |
| Oct 1 | 12.5 | Oct 1/80 | J49 | 22,539,000 | | | 22,539,000 | | |
| Dec 5 | 10.25 | Dec 5/88 | A20 | 650,000,000 | | | 650,000,000 | | 650,000,000 |
| Dec 15 | 10.25 | Nov 15/85-Oct 15/87 | H70 | 575,000,000 | | | 575,000,000 | | ,, |
| 1991—Feb 1 | 12.5 | Feb 1/81 | J56 | 718,974,000 | | | 718,974,000 | | |
| | | Dec 15/85-Apr 10/86 | 350 | 710,774,000 | | | 710,771,000 | | |
| Mar 1 | 9.25 | | 1172 | 725 000 000 | | | 725,000,000 | | |
| | | Feb 1/88 | H73 | 725,000,000 | | | | | 700,000,000 |
| Mar 5 | 11 | Mar 5/89 | A22 | 700,000,000 | | | 700,000,000 | | |
| | | | | 10,650,935,000 | | | 10,650,935,000 | | 2,550,000,000 |
| Maturing 1991-92 | | | | | | | | | |
| | 0.75 | Esh 6/96 Mar 15/96 | | | | | | | |
| 1991—May 1 | 9.75 | Feb 6/86-Mar 15/86 | uze | 925 000 000 | | | 825,000,000 | | |
| | 14.5 | Dec 15/87 | H75 | 825,000,000 | | | | | |
| May 1 | 14.5 | May 1/81 | J62 | 490,857,000 | | | 490,857,000 | | |
| June 1 | 11 | May 1/85-May 22/85 | H57 | 425,000,000 | | | 425,000,000 | EEO 000 000 | |
| June 6 | 10.5 | June 6/89 | A24 | | 550,000,000 | | 550,000,000 | 550,000,000 | |
| July 1 | 8.5 | Apr 28/86-May 22/86 | | | | | | | |
| | | June 12/86-July 3/86 | | | | | | | |
| | | July 24/86 | H83 | 1,700,000,000 | | | 1,700,000,000 | | |
| Sept 1 | 9 | July 23/87-Feb 25/88 | | | | | | | |
| ocpt 1 | _ | Apr 14/88-Aug 4/88 | A7 | 1,725,000,000 | | | 1,725,000,000 | | 725,000,000 |
| | | | A26 | .,,,000,000 | 800,000,000 | | 800,000,000 | 800,000,000 | ,, |
| Sept 6 | 10.25 | Sept 6/89 | | | | | | OLALIANI.LANI | |

TABLE 10.2

MARKETABLE BONDS—Continued

| faturity date | % | Issue date | Series | April 1/1989 | Issues ^[1] | Patiramanta [1] | March 31/1990 | Net increase or | |
|---------------------|---------------|-----------------------------------|-------------|---|-----------------------|-----------------|--------------------------------|---|---------------|
| laturity date | 70 | issue date | Series | | | | • | - | 1989 |
| | | | | \$ | \$ | \$ | \$ | \$ | \$ |
| Oct 1 | 18 | Oct 15/81 | J73 | 392,685,000 | | | 392,685,000 | | |
| Dec 6 | 10.5 | Dec 6/89 | A28 | *** *** | 900,000,000 | | 900,000,000 | 900,000,000 | |
| Dec 15 | 11.5 | Dec 15/84 | H47 | 225,000,000 | | | 225,000,000 | | |
| Dec 15 | 8.75 | Sept 2/86-Oct 1/86 | | | | | | | |
| | | Oct 23/86-Nov 12/86 July 1/87 | H89 | 1 950 000 000 | | | 1 950 000 000 | | |
| 1992—Feb 1 | 15.5 | Feb 1/82 | J76 | 1,850,000,000 1,246,186,000 | | | 1,850,000,000 | | |
| Mar 1 | 8.5 | Jan 6/87-May 1/87 | H94 | 1,025,000,000 | | | 1,246,186,000 1,025,000,000 | | |
| Mar 6 | 11.5 | Mar 6/90 | A31 | 1,025,000,000 | 1,000,000,000 | | 1,000,000,000 | 1,000,000,000 | |
| IVIAI O | 11.5 | Mar 0/70 | 7151 | 9,904,728,000 | 3,250,000,000 | | 13,154,728,000 | 3,250,000,000 | 725,000,000 |
| | | | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | -,,, | | 10,101,100,000 | 5,250,000,000 | 723,000,000 |
| Maturing 1992-93 | | 10.00 | | (00 000 000 | | | | | |
| 1992—Apr 1 | 7.75 | Mar 12/87 | Al | 600,000,000 | | | 600,000,000 | | |
| June 1 | 10.25 | June 12/85-July 1/85 | | | | | | | , |
| | | July 23/85-Sept 1/85 | | | | | | | , |
| | | Sept 24/87-Oct 15/87 Sept 1/88 | H61 | 1,850,000,000 | | | 1 950 000 000 | | 250 000 000 |
| June 1 | 15 | June 1/82 | J82 | 200,000,000 | | | 1,850,000,000 | | 250,000,000 |
| July 1 | 9.25 | May 21/87-Aug 13/87 | J02 | 200,000,000 | | | 200,000,000 | | |
| July 1 | 7.20 | Sept 1/87-June 1/88 | | | | | | | |
| | | Oct 1/89 | A4 | 1,300,000,000 | 100,000,000 | | 1,400,000,000 | 100,000,000 | 175,000,000 |
| July 1 | 15 | July 1/82 | J85 | 398,789,000 | 100,000,000 | | 398,789,000 | 100,000,000 | 175,000,000 |
| Sept 1 | 5.75 | Sept 1/66-Dec 15/66 | ••• | 270,107,000 | | | 570,707,000 | | |
| | | Feb 1/67 | F6 | 225,000,000 | | | 225,000,000 | | |
| Sept 1 | 14.25 | Sept 1/82 | J88 | 648,917,000 | | | 648,917,000 | | |
| Oct 15 | 13.5 | Oct 15/82 | J91 | 400,000,000 | | | 400,000,000 | | |
| Nov 15 | 12.75 | Nov 1/82 | J93 | 500,000,000 | | | 500,000,000 | | |
| Dec 15 | 11.75 | Nov 22/82-Dec 15/82 | | | | | | | |
| | | Aug 1/83-Sept 1/83 | J95 | 2,050,000,000 | | | 2,050,000,000 | | |
| 1993—Feb 1 | 11.25 | Feb 1/83-Mar 15/83 | | | | | | | |
| | | Apr 27/83-July 12/83 | J 99 | 1,850,000,000 | | | 1,850,000,000 | | |
| | | | | 10,022,706,000 | 100,000,000 | | 10,122,706,000 | 100,000,000 | 425,000,000 |
| Maturing 1993-94 | | | | | | | - 4/10 | | CA THE |
| 1993—May 1 | 10.75 | May 15/83-June 21/83 | | | | | | | |
| | | Nov 5/87-Mar 15/89 | | | | | | | |
| | | Mar 15/90 | Н3 | 1,625,000,000 | 100,000,000 | | 1,725,000,000 | 100,000,000 | 75,000,000 |
| May 1 | 10.25 | Jan 25/90-Feb 1/90 | A29 | | 925,000,000 | | 925,000,000 | 925,000,000 | ,, |
| June 1 | 15.25 | June 1/81 | J65 | 895,006,000 | | | 895,006,000 | | |
| July 1 | 8.75 | Feb 18/88-Mar 15/88 | | | | | | | |
| | | May 5/88 | A13 | 1,625,000,000 | | | 1,625,000,000 | | 550,000,000 |
| July 1 | 14.75 | July 1/81 | J69 | 445,459,000 | | | 445,459,000 | | |
| Sept 1 | 9.5 | June 23/88-July 21/88 | | | | | | | |
| | | Oct 15/88-Oct 31/88 | | | | | | | |
| | | Dec 15/88-Oct 19/89 | | | | | | | |
| 0 4# | | Dec 15/89 | A16 | 1,575,000,000 | 875,000,000 | | 2,450,000,000 | 875,000,000 | 1,575,000,000 |
| Oct 15 | 11.75 | Sept 27/83-Oct 15/83 | 110 | 1 025 000 000 | | | 1 | | |
| D 15 | | Feb 1/84 | Н8 | 1,025,000,000 | | | 1,025,000,000 | | |
| Dec 15 | 11.5 | Nov 8/83-Dec 15/83 | 1112 | 950 000 000 | | | 050 000 000 | | |
| 1004 E-1-1 | 0.75 | Feb 21/84 | H12 | 850,000,000 | | | 850,000,000 | | |
| 1994—Feb I Feb 1 | 8.75 10.25 | Dec 15/86 Jan 5/89-Fev 9/89 | H93 A21 | 250,000,000 | | | 250,000,000 | | 1 200 000 000 |
| Mar 1 | 8.25 | Jan 29/87-Feb 19/87 | AZI | 1,300,000,000 | | | 1,300,000,000 | | 1,300,000,000 |
| IVIAI I | 0.23 | Mar 15/87 | H96 | 800,000,000 | | | 800,000,000 | | |
| Mar I | 12 | Mar 13/84-Apr 10/85 | H17 | 700,000,000 | | | 700,000,000 | | |
| IVIAL I | 12 | Wai 15/64-Api 10/65 | 1117 | 11,090,465,000 | 1 900 000 000 | | 12,990,465,000 | 1,900,000,000 | 3,500,000,000 |
| | | | | 11,000,100,000 | 1,500,000,000 | | 12,770,100,000 | 1,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 2,500,000,000 |
| Maturing 1994-95 | | | | | | | | | |
| 1994—Apr 1 | 13 | Apr 1/84-May 1/84 | | 1 005 000 000 | | | 1 000 000 000 | | |
| 16 15 | | Aug 22/84 | H21 | 1,025,000,000 | | | 1,025,000,000 | | |
| May 15 | 13.75 | June 1/84-July 11/84 | **** | 1 200 000 000 | | | | | |
| 1 | 0.5 | Aug 1/84 | H25 | 1,200,000,000 | | | 1,200,000,000 | | |
| June 15 | 9.5 | June 15/74-July 1/75 | | | | | | | |
| | | Aug 15/75-June 1/76 | F05 | 676 200 000 | | | (7(300 000 | | £1 20£ 000 |
| July 15 | 7.75 | Aug 1/76-Apr 1/77 | F85 | 676,320,000 | | | 676,320,000 | | -51,225,000 |
| | 7.75 | Apr 16/87 | A3 | 400,000,000 | | | 400,000,000 | | |

TABLE 10.2

MARKETABLE BONDS—Continued

| | | | | | | | | Net increase or | decrease (-) |
|-----------------------|-----------|----------------------------------|------------|---------------|-----------------------|----------------------------|---|-----------------|---------------|
| Maturity date | % | Issue date | Series | April 1/1989 | Issues ^{1} | Retirements ⁽¹⁾ | March 31/1990 | 1990 | 1989 |
| | | | | \$ | \$ | \$ | . \$ | \$ | \$ |
| July 15 | 13.5 | June 19/84 | H29 | 250,000,000 | | | 250,000,000 | | |
| Oct 1 | 9.25 | June 18/87-July 30/87 | | | | | A | | |
| | | Feb 1/88-Apr 14/88 | | | | | 1 - | | |
| | | July 1/89-Aug 1/89 | A6 | 1,550,000,000 | 925,000,000 | | 2,475,000,000 | 925,000,000 | 500,000,000 |
| Oct 1 | 12.75 | Sept 12/84 | H39 | 475,000,000 | | | 475,000,000 | | |
| Dec 1 | 6.25 | Dec 1/67 | F23 | 125,000 | | | 125,000 | | |
| Dec 15 | 12.5 | Oct 1/84-Oct 24/84 | H42 | 900,000,000 | | | 900,000,000 | | |
| Dec 15 | 9.25 | Aug 24/89-Oct 1/89 | | | | | | | |
| | | Nov 1/89 | A25 | | 1,625,000,000 | | 1,625,000,000 | 1,625,000,000 | |
| 1995—Feb 1 | 11.5 | Feb 1/85 | H51 | 375,000,000 | | | 375,000,000 | | |
| Feb 1 | 12.25 | Nov 14/84-Mar 19/85 | H44 | 725,000,000 | | | 725,000,000 | | |
| Mar 1 | 10 | Jan 5/88-June 1/88 | | | | | 5 | | |
| | | Aug 11/88-Dec 15/89 | | | | | | | |
| | | Feb 1/90-Feb 15/90 | A12 | 1,400,000,000 | 1,400,000,000 | | 2,800,000,000 | 1,400,000,000 | 950,000,000 |
| Mar 1 | 11.75 | Dec 15/84 | H48 | 475,000,000 | | | 475,000,000 | | |
| | | | | 9,451,445,000 | 3,950,000,000 | | 13,401,445,000 | 3,950,000,000 | 1,398,775,000 |
| Maturing 1995-96 | | | | | | | | | |
| 1995—Apr 1 | 11.25 | Feb 19/85-May 1/85 | | | | | | | |
| 1775—Apr 1 | 11.23 | May 22/85 | H54 | 1,350,000,000 | | | 1,350,000,000 | | |
| June 1 | 10.5 | June 12/85-July 1/85 | 115 | 1,550,000,000 | | | 1,550,000,000 | | |
| Julie 1 | 10.5 | July 23/85-Sept 1/85 | | | | | | | |
| | | Mar 15/90 | H62 | 1,850,000,000 | 400,000,000 | | 2,250,000,000 | 400,000,000 | |
| Oct 1 | 6.5 | Oct 1/68 | F33 | 100,000,000 | 100,000,000 | | 100,000,000 | 100,000,000 | |
| Oct 1 | 10 | Oct 1/75-Dec 15/75 | 1 33 | 100,000,000 | | | 100,000,000 | | |
| 00.1 | | Feb 1/76-Apr 1/76 | F97 | 677,875,000 | | | 677,875,000 | | -12,750,000 |
| Dec 15 | 10.75 | Oct 1/85-Oct 23/85 | • / / | 077,075,000 | | | 011,010,000 | | 12,150,000 |
| Dec 15 | 10.75 | Nov 15/85-Mar 15/89 | H67 | 1,100,000,000 | | | 1,100,000,000 | | 150,000,000 |
| 1996-Mar 1 | 10.25 | Feb 6/86-Dec 15/87 | 1107 | 1,100,000,000 | | | 1,100,000,000 | | 100,000,000 |
| 1770 11111 1 | 10.25 | Sept 22/88 | H76 | 1,375,000,000 | | | 1,375,000,000 | | 550,000,000 |
| | | 50,700 | | 6,452,875,000 | 400,000,000 | | 6,852,875,000 | 400,000,000 | 687,250,000 |
| | | | | -,,, | ,, | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | ,, | , , |
| Maturing 1996-97 | | | | | | | | | |
| 1996—May 1 | 9.25 | Apr 10/86-June 1/87 | | | | | | | |
| | | July 1/87-Mar 31/88 | **** | 2 000 000 000 | 1 200 000 000 | | 2 200 000 000 | 1 200 000 000 | |
| | | July 27/89-Aug 31/89 | H80 | 2,000,000,000 | 1,300,000,000 | | 3,300,000,000 | 1,300,000,000 | |
| June 1 | 8.75 | Apr 28/86-May 22/86 | | | | | | | |
| | | July 24/86-Oct 1/86 | 1104 | 2 175 000 000 | | | 2 175 000 000 | | |
| 0 . 15 | 2 | Dec 15/86-May 1/87 | H84 | 2,175,000,000 | | | 2,175,000,000 | | |
| Sept 15 1997—Mar 1 | 3 8.25 | Sept 15/36 | P1 | 55,000,000 | | | 55,000,000 | | |
| 199/Mar 1 | 8.23 | Jan 29/87-Feb 19/87 Mar 15/87 | H97 | 1,125,000,000 | | | 1 125 000 000 | | |
| | | Mar 13/67 | ПЭ1 | 5,355,000,000 | 1,300,000,000 | | 1,125,000,000 6,655,000,000 | 1,300,000,000 | |
| | | | | 3,333,000,000 | 1,300,000,000 | | 0,033,000,000 | 1,500,000,000 | |
| Maturing 1997-98 | | | | | | | | | |
| 1997-May 15 | 9.25 | May 15/77-July 1/77 | | | | | | | |
| | | Sept 1/77-Feb 1/78 | J 9 | 936,000,000 | | | 936,000,000 | | -48,000,000 |
| Oct 1 | 9.75 | Aug 13/87-Sept 1/87 | | | | | | | |
| | | Nov 15/87-Feb 1/88 | | | | | | | |
| (2) | | May 12/88-Jan 4/90 | A8 | 2,075,000,000 | 650,000,000 | | 2,725,000,000 | 650,000,000 | 500,000,000 |
| 1998—Mar 15 | 3.75 | Sept 15/56 | T15 | 197,045,000 | | | 197,045,000 | | |
| Mar 15 | 10.75 | Oct 15/87-Mar 15/89 | | | | | | | |
| | | Apr 13/89 | A10 | 875,000,000 | 650,000,000 | | 1,525,000,000 | 650,000,000 | 625,000,000 |
| | | | | 4,083,045,000 | 1,300,000,000 | | 5,383,045,000 | 1,300,000,000 | 1,077,000,000 |
| Maturing 1998-99 | | | | | | | | | |
| 1998—Oct 1 | 9.5 | June 30/88- July 21/88 | | | | | | | |
| 1770 OCC 1 | 7.5 | Nov 15/88-July 1/89 | A17 | 1,500,000,000 | 700,000,000 | | 2,200,000,000 | 700,000,000 | 1,500,000,000 |
| Dec 1 | 10.25 | Sept 1/88-Oct 15/88 | | 1,000,000,000 | , 00,000,000 | | 2,200,000,000 | | 1,000,000,000 |
| 2001 | 10.25 | Dec 15/88-Jan 26/89 | A18 | 2,275,000,000 | | | 2,275,000,000 | | 2,275,000,000 |
| | | 200 10,00 0411 20,00 | | 3,775,000,000 | 700,000,000 | | 4,475,000,000 | 700,000,000 | 3,775,000,000 |
| | | | | -,,,-,-,-,- | , , , | | .,, | ,, | -,,, |
| Maturing 1999-200 | | | | | | | , | | |
| 1999—Oct 15 | 9 | Oct 15/77-Dec 15/77 | J13 | 563,750,000 | | | 563,750,000 | | -29,000,000 |
| Dec 1 | 13.5 | Dec 1/80 | J53 | 400,000,000 | | | 400,000,000 | | |
| Dec 1 | 9.25 | Sept 21/89-Oct 1/89 | | | | | | | |
| | | Nov 16/89-Dec 15/89 | A27 | | 2,825,000,000 | | 2,825,000,000 | 2,825,000,000 | |
| 2000-Mar 15 | 13.75 | Mar 31/80-Mar 1/81 | | | | | | | |
| | | Mar 31/81-Oct 15/82 | J39 | 1,050,000,000 | | | 1,050,000,000 | | |
| | | | | 2,013,750,000 | 2,825,000,000 | | 4,838,750,000 | 2,825,000,000 | -29,000,000 |

TABLE 10.2

MARKETABLE BONDS—Continued

| Masualsu des- | at | facus data | C - 1 - | A: 1 1 /1 000 | r (11 | n | | | decrease (-) |
|--------------------------------|-------|----------------------|---------|---------------|-----------------------|-----------------|------------------|---------------|---------------|
| Maturity date | % | Issue date | Series | April 1/1989 | Issues ^[1] | Retirements 113 | March 31/1990 | 1990 | 1989 |
| | | | | \$ | \$ | \$ | S | \$ | \$ |
| Maturing 2000-01 | | | | | | | | | |
| 2000May 1 | 9.75 | Feb 1/90-Feb 15/90 | A30 | | 1,575,000,000 | | 1,575,000,000 | 1,575,000,000 | |
| July 1 | 10.5 | Mar 15/90-Mar29/90 | A32 | | 1,350,000,000 | | 1,350,000,000 | 1,350,000,000 | |
| July 1 | 15 | July 1/81 | J70 | 175,000,000 | | | 175,000,000 | | |
| Dec 15 | 9.75 | Dec 15/78 | J22 | 515,625,000 | | | 515,625,000 | | -21,875,000 |
| 2001-Feb 1 | 15.75 | June 1/81-July 31/81 | J66 | 425,000,000 | | | 425,000,000 | | 110 |
| | | • | | 1,115,625,000 | 2,925,000,000 | | 4,040,625,000 | 2,925,000,000 | -21,875,000 |
| Maria 2001.00 | | | | | | | | | |
| Maturing 2001-02 | | 1000 0 . 100 | | | | | | | |
| 2001-May 1 | 13 | May 1/80-Oct 1/80 | 140 | | | | | | |
| 01 | 0.5 | Feb 1/81 | J42 | 1,325,000,000 | | | 1,325,000,000 | | |
| Oct 1 | 9.5 | Oct 1/76-Dec 1/76 | | | | | | | |
| | | Apr 1/78-May 15/78 | | | | | | | |
| | | July 1/78 | J2 | 1,314,000,000 | | | 1,314,000,000 | | -65,000,000 |
| 2002—Feb 1 | 8.75 | Feb 1/77 | J7 | 228,000,000 | | | 228,000,000 | | -12,000,000 |
| Mar 15 | 15.5 | Mar 31/82-May 1/82 | J79 | 350,000,000 | | | 350,000,000 | | |
| | | | | 3,217,000,000 | | | 3,217,000,000 | | -77,000,000 |
| Maturing 2002-03 | | | | | | | | 41 | |
| 2002—May 1 | 10 | May 1/79-June 1/79 | | | | | ţ. | | |
| 2002—Iviay I | 10 | July 15/79 | J25 | 1,850,000,000 | | | 1 050 000 000 | | |
| Dec 15 | 11.25 | Dec 15/79-July 1/80 | 343 | 1,630,000,000 | | | 1,850,000,000 | | |
| Dec 13 | 11.23 | | J34 | 1,625,000,000 | | | 1 625 000 000 | | |
| 2003—Feb 1 | 11.75 | May 15/83 | 134 | 1,023,000,000 | | | 1,625,000,000 | | |
| 2003—reb 1 | 11.75 | Feb 1/80-June 1/80 | | | | | | | |
| | | Aug 1/80-Feb 1/83 | | | | | D. | | |
| | | Apr 27/83-June 21/83 | 125 | 2 700 000 000 | | | 2 700 000 000 | | |
| | | July 12/83 | J35 | 2,700,000,000 | | | 2,700,000,000 | | |
| | | | | 6,175,000,000 | | | 6,175,000,000 | | |
| Maturing 2003-04 | | | | | | | * | | |
| 2003-Oct 1 | 9.5 | Aug 15/78-Oct 1/78 | J18 | 715,500,000 | | | 715,500,000 | | -36,000,000 |
| 2004—Feb 1 | 10.25 | Feb 1/79-Mar 15/79 | | , | | | , , | | 0 0,000,000 |
| | | Mar 21/79-Aug 15/79 | J24 | 2,200,000,000 | | | 2,200,000,000 | | |
| | | | | 2,915,500,000 | | | 2,915,500,000 | | -36,000,000 |
| | | | | _,, | | | (| | 22,000,000 |
| Maturing 2004-05 | | | | | | | | | |
| | 13.5 | Apr 1/84-May 1/84 | H22 | 550,000,000 | | | 550,000,000 | | |
| Oct 1 | 10.5 | Oct 1/79-Dec 15/87 | J30 | 875,000,000 | | | 875,000,000 | | |
| 2005—Mar 1 | 12 | Oct 15/83-Nov 8/83 | | | | | 4 | | |
| | | Dec 15/83-Feb 1/84 | | | | | | | |
| | | Feb 21/84-Dec 15/84 | Н9 | 1,775,000,000 | | | 1,775,000,000 | | |
| | | | | 3,200,000,000 | | | 3,200,000,000 | | A.C. STATE |
| Maturing 2005-06 | | | | | | | 1,540,154 | | |
| 2005—Sept 1 | 12.25 | Aug 1/83-Sept 1/83 | | | | | | | |
| 2005 Dept 1 | 12.23 | Sept 27/83-Apr 10/85 | Н6 | 1,375,000,000 | | | 1,375,000,000 | | |
| 2006-Mar 1 | 12.5 | Mar 13/84-Nov 14/84 | 110 | 1,575,000,000 | | | 1,575,000,000 | | |
| 2000-14141 1 | 12.5 | Mar 19/85 | H18 | 975,000,000 | | | 975,000,000 | | |
| | | Wa 15/65 | 1110 | 2,350,000,000 | | | 2,350,000,000 | | |
| | | | | 2,550,000,000 | | | 2,550,000,000 | | |
| Maturing 2006-07 | | | | | | | and and a second | | |
| 2006—Oct 1 | 14 | June 1/84-July 11/84 | | | | | | | |
| | | Aug 1/84 | H26 | 1,025,000,000 | | | 1,025,000,000 | | |
| 2007-Mar 1 | 13.75 | June 19/84 | H30 | 325,000,000 | | | 325,000,000 | | |
| | | | | 1,350,000,000 | | | 1,350,000,000 | | |
| Maturine 2007 00 | | | | | | | | | |
| Maturing 2007-08 2007—Oct 1 | 13 | Aug 22/84-Sept 12/84 | H36 | 700,000,000 | | | 700,000,000 | | |
| 2007—Oct 1 2008—Mar 1 | 12.75 | Oct 1/84-Oct 24/84 | H41 | 750,000,000 | | | 750,000,000 | | |
| 2006—Iviai 1 | 12.73 | Oct 1/64-Oct 24/64 | 1141 | 1,450,000,000 | | | | | |
| | | | | 1,430,000,000 | | | 1,450,000,000 | | |
| Maturing 2008-09 | | | | | | | | | |
| 2008—June 1 | 10 | Dec 15/85-Sept 1/87 | | + | | | | | |
| | | Feb 1/88-Apr 14/88 | | | | | | | |
| | | June 1/88-July 21/88 | | | | | | | |
| | | Oct 15/88-Dec 15/88 | | | | | | | |
| | | Feb 23/89-June 1/89 | H74 | 2,925,000,000 | 525,000,000 | | 3,450,000,000 | 525,000,000 | 2,025,000,000 |
| Oct 1 | 11.75 | Feb 1/85-May 1/85 | H52 | 725,000,000 | | | 725,000,000 | , | , |
| Otti | | | | | | | | | |
| 2009—Mar 1 | 11.5 | May 22/85 | H58 | 400,000,000 | | | 400,000,000 | | |

17 Year

TABLE 10.2 MARKETABLE BONDS—Concluded

| | | | | | | | | Net increase or | r decrease (-) |
|---|--|--|--------|--|-----------------------|---|---|--|---|
| Maturity date | % | Issue date | Series | April 1/1989 | 1ssues ^{1} | Retirements ^{1} | March 31/1990 | 1990 | 1989 |
| | | | | \$ | \$ | \$ | \$ | \$ | \$ |
| Maturing 2009-10 | | | | | | | | | |
| 2009—June 1 | 11 | Oct 1/85-Oct 23/85 | | | | | | | |
| | | Oct 15/87 | H68 | 925,000,000 | | | 925,000,000 | | |
| Oct 1 | 10.75 | June 12/85-July 1/85 | | | | | ,, | | |
| | | Sept 1/85-Sept 1/88 | H63 | 1,300,000,000 | | | 1,300,000,000 | | 300,000,00 |
| 2010-Mar 1 | 9.75 | Mar 15/86 | H79 | 325,000,000 | | | 325,000,000 | 4 | 500,000,00 |
| | | | | 2,550,000,000 | | | 2,550,000,000 | | 300,000,00 |
| Maturing 2010-11 | | | | | | | | | |
| 2010-June 1 | 9.5 | Apr 10/86-July 1/87 | | | | | | | |
| | | July 1/89-Aug 10/89 | | | | | | | |
| | | Oct 1/89-Dec 15/89 | | | | | | | |
| | | Feb 1/90 | H81 | 650,000,000 | 2,325,000,000 | | 2,975,000,000 | 2,325,000,000 | |
| Oct 1 | 8.75 | Apr 28/86 | H85 | 325,000,000 | 2,323,000,000 | | 325,000,000 | 2,323,000,000 | |
| 2011—Mar 1 | 9 | July 3/86-Sept 2/86 | 1105 | 323,000,000 | | | 323,000,000 | | |
| 2011—Iviai 1 | , | Oct 23/86-Dec 15/86 | | | | | | | |
| | | | H87 | 1 075 000 000 | | | 1.075.000.000 | ş. | |
| | | May 1/87-Mar 15/88 | пол | 1,975,000,000 | 2 225 000 000 | | 1,975,000,000 | 2 225 000 000 | |
| | | | | 2,950,000,000 | 2,325,000,000 | | 5,275,000,000 | 2,325,000,000 | |
| Maturing 2011-12 | | | | | | | | | |
| 2011—June 1 | 8.5 | Feb 19/87-Mar 15/87 | H98 | 750,000,000 | | | 750,000,000 | | |
| Maturing 2013-14 | | | | | | | | | |
| | 10.25 | Mar 15/89-Mar 30/89 | | | | | | | |
| 2014—Mar 13 | 10.23 | | | 050 000 000 | 450 000 000 | | 1 200 000 000 | 450 000 000 | 0.50 000 0 |
| 14 2010 10 | | Mar 15/90 | A23 | 850,000,000 | 450,000,000 | | 1,300,000,000 | 450,000,000 | 850,000,0 |
| Maturing 2018-19 | 10.106 | 34 00.00 | | | 0.404.004 | | | | |
| 2019—Mar 23 | 10.186 | Mar 23/90 | | | 8,436,324 | | 8,436,324 | 8,436,324 | |
| Accounts without | current tra | ansactions | | | | | | | -5,300,000,00 |
| Total marketable b | onds (Car | nadian currency) | | 115,747,759,000 | 21,958,436,324 | 10,024,685,000 | 127,681,510,324 | 11,933,751,324 | 11,849,150,00 |
| ayable in foreign curr | | | | | | | | | |
| United States dolla | rs- | | | | | | | | |
| 1000 * 1 1 # | 9.25 | | | | | | | | |
| 1989—July 15 | | July 15/85 | | 536,625,000 | | 536,625,000 | | -536,625,000 | -19,080,0 |
| 1989—July 15 1995—July 15 | 10.125 | July 15/85 July 15/85 | | 536,625,000 357,843,015 | | 536,625,000 85,100,411 | 272,742,604 | -536,625,000 -85,100,411 | |
| | 10.125 10 | | | | | | 272,742,604 584,750,000 | | -197,861,9 |
| 1995—July 15 Nov 21 1996—Feb 27 | | July 15/85 | | 357,843,015 596,250,000 | | 85,100,411 11,500,000 | 584,750,000 | -85,100,411 -11,500,000 | -197,861,98 -21,200,00 |
| 1995—July 15 Nov 21 1996—Feb 27 | 10 9 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 | | 85,100,411 11,500,000 23,000,000 | 584,750,000 1,169,500,000 | -85,100,411 -11,500,000 -23,000,000 | -197,861,98 -21,200,00 -42,400,00 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 | 10 9 8.625 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 | | 85,100,411 11,500,000 23,000,000 15,630,211 | 584,750,000 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 | -19,080,00 -197,861,98 -21,200,00 -42,400,00 -60,428,63 |
| 1995—July 15 Nov 21 1996—Feb 27 | 10 9 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 | | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 | 584,750,000 1,169,500,000 232,666,177 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 | -197,861,98 -21,200,00 -42,400,00 -60,428,6 -93,534,20 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 | 10 9 8.625 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 | | 85,100,411 11,500,000 23,000,000 15,630,211 | 584,750,000 1,169,500,000 232,666,177 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 | -197,861,98 -21,200,00 -42,400,00 -60,428,6 -93,534,20 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 | 10 9 8.625 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 | | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 | 584,750,000 1,169,500,000 232,666,177 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 | -197,861,98 -21,200,00 -42,400,00 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 | 10 9 8.625 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 | | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 | 584,750,000 1,169,500,000 232,666,177 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 | -197,861,98 -21,200,00 -42,400,00 -60,428,61 -93,534,20 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 | 10 9 8.625 9.25 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 | | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 | 584,750,000 1,169,500,000 232,666,177 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 | -197,861,98 -21,200,00 -42,400,00 -60,428,6 -93,534,20 -434,504,80 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 Deutsche marks— 1989—Apr 30 Swiss francs— 1992—May 10 | 10 9 8.625 9.25 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 | 12,660,000 | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 | 584,750,000 1,169,500,000 232,666,177 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 | -197,861,93 -21,200,00 -42,400,00 -60,428,6 -93,534,20 -434,504,86 -23,240,00 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 Deutsche marks— 1989—Apr 30 Swiss francs— 1992—May 10 | 10 9 8.625 9.25 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 | 12,660,000 | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 | 584,750,000 1,169,500,000 232,666,177 2,259,658,781 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 -125,680,000 | -197,861,98 -21,200,00 -42,400,00 -60,428,6 -93,534,20 -434,504,80 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 Deutsche marks— 1989—Apr 30 Swiss francs— 1992—May 10 Japanese yen— 13 1991—Feb 20 | 10 9 8.625 9.25 8.5 5.25 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 125,680,000 143,420,000 | 12,660,000 | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 125,680,000 | 584,750,000 1,169,500,000 232,666,177 2,259,658,781 156,080,000 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 -125,680,000 | -197,861,98 -21,200,00 -42,400,00 -60,428,6 -93,534,24 -434,504,86 -23,240,00 -37,440,00 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 Deutsche marks— 1989—Apr 30 Swiss francs— 1992—May 10 Japanese yen— [3] 1991—Feb 20 1992—June 25 | 10 9 8.625 9.25 8.5 5.25 6.125 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 125,680,000 143,420,000 488,739,638 | 12,660,000 | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 125,680,000 | 584,750,000 1,169,500,000 232,666,177 2,259,658,781 156,080,000 479,313,213 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 -125,680,000 12,660,000 -9,426,425 | -197,861,98 -21,200,00 -42,400,00 -60,428,6 -93,534,20 -434,504,86 -23,240,00 -37,440,00 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 Deutsche marks— 1989—Apr 30 Swiss francs— 1992—May 10 13 Japanese yen— 1991—Feb 20 131 1992—June 25 | 10 9 8.625 9.25 8.5 5.25 6.125 4.375 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 125,680,000 143,420,000 488,739,638 663,450,722 | 12,660,000 | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 125,680,000 9,426,425 12,796,115 | 584,750,000 1,169,500,000 232,666,177 2,259,658,781 156,080,000 479,313,213 650,654,607 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 -125,680,000 12,660,000 -9,426,425 -12,796,115 | -197,861,9 -21,200,0 -42,400,0 -60,428,6 -93,534,2 -434,504,8 -23,240,0 -37,440,0 -17,377,4 -23,589,3 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 Deutsche marks— 1989—Apr 30 Swiss francs— 1992—May 10 Japanese yen— [3] 1991—Feb 20 [3] 1992—June 25 | 10 9 8.625 9.25 8.5 5.25 6.125 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 125,680,000 143,420,000 488,739,638 663,450,722 682,051,385 | 12,660,000 | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 125,680,000 9,426,425 12,796,115 99,059,448 | 584,750,000 1,169,500,000 232,666,177 2,259,658,781 156,080,000 479,313,213 650,654,607 582,991,937 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 -125,680,000 12,660,000 -9,426,425 -12,796,115 -99,059,448 | -197,861,9 -21,200,0 -42,400,0 -60,428,6 -93,534,2 -434,504,8 -23,240,0 -37,440,0 -17,377,4 -23,589,3 -61,966,9 |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 Deutsche marks— 1989—Apr 30 Swiss francs— 1992—May 10 13 Japanese yen— 1991—Feb 20 13 1992—June 25 1993—July 23 | 10 9 8.625 9.25 8.5 5.25 6.125 4.375 5.625 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 125,680,000 143,420,000 488,739,638 663,450,722 | 12,660,000 | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 125,680,000 9,426,425 12,796,115 | 584,750,000 1,169,500,000 232,666,177 2,259,658,781 156,080,000 479,313,213 650,654,607 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 -125,680,000 12,660,000 -9,426,425 -12,796,115 | -197,861,9: -21,200,0: -42,400,0: -60,428,6: -93,534,2: -434,504,8: -23,240,0: -37,440,0: -17,377,4: -23,589,3: -61,966,9: -102,933,7: |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 Deutsche marks— 1989—Apr 30 Swiss francs— 1992—May 10 13apanese yen— (3) 1991—Feb 20 13 1992—June 25 1993—July 23 Accounts without of | 10 9 8.625 9.25 8.5 5.25 6.125 4.375 5.625 | July 15/85 Nov 21/85 Feb 27/86 Apr 1/78 Oct 15/78 Apr 30/82 May 10/84 Feb 20/86 June 25/87 July 23/86 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 125,680,000 143,420,000 488,739,638 663,450,722 682,051,385 1,834,241,745 | | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 125,680,000 9,426,425 12,796,115 99,059,448 121,281,988 | 584,750,000 1,169,500,000 232,666,177 2,259,658,781 156,080,000 479,313,213 650,654,607 582,991,937 1,712,959,757 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 -125,680,000 12,660,000 -9,426,425 -12,796,115 -99,059,448 -121,281,988 | -197,861,9: -21,200,0: -42,400,0: -60,428,6: -93,534,2: -434,504,8: -23,240,0: -37,440,0: -17,377,4: -23,589,3: -61,966,9: -102,933,7: -351,373,6: |
| 1995—July 15 Nov 21 1996—Feb 27 1998—Apr 1 Oct 15 Deutsche marks— 1989—Apr 30 Swiss francs— 1992—May 10 13apanese yen— (33 1992—June 25 1993—July 23 Accounts without of | 10 9 8.625 9.25 8.5 5.25 6.125 4.375 5.625 | July 15/85 | | 357,843,015 596,250,000 1,192,500,000 248,296,388 338,680,732 3,270,195,135 125,680,000 143,420,000 488,739,638 663,450,722 682,051,385 | 12,660,000 | 85,100,411 11,500,000 23,000,000 15,630,211 338,680,732 1,010,536,354 125,680,000 9,426,425 12,796,115 99,059,448 121,281,988 | 584,750,000 1,169,500,000 232,666,177 2,259,658,781 156,080,000 479,313,213 650,654,607 582,991,937 1,712,959,757 | -85,100,411 -11,500,000 -23,000,000 -15,630,211 -338,680,732 -1,010,536,354 -125,680,000 12,660,000 -9,426,425 -12,796,115 -99,059,448 -121,281,988 | -197,861,9 -21,200,0 -42,400,0 -60,428,6 -93,534,2 -434,504,8 -23,240,0 -37,440,0 -17,377,4 -23,589,3 -61,966,9 -102,933,7 |

Issues and retirements of the marketable bonds payable in foreign currencies include the translation of these currencies to Canadian dollars using closing rates of exchange at March 31.
 Subject to redemption before maturity.
 While the terms of the issue remain unaltered from the bondholders' perspective, the Government's Japanese yen liability was converted through a "currency swap" into a floating rate U.S. dollar liability which is based on 6-month London Inter-bank Offered Rate (LIBOR).

Canada Savings Bonds

Canada savings bonds are interest-bearing certificates of indebtedness issued by the Government of Canada, and have the following characteristics:

- -issued to Canadian residents;
- -issued in Canadian currency only;
- -registered in the name of the holder;
- -fixed dates of maturity;

- -not marketable;
- —redeemable on demand by the holder, with accrued interest calculated to the end of the previous month;
- -not subject to call before maturity; and,
- -term to maturity of seven years or more.

Table 10.3 presents a summary of the balances and transactions for Canada savings bonds.

TABLE 10.3
CANADA SAVINGS BONDS

| | | | | | | | | Net increase o | r decrease (-) |
|--------------------|---------------|------------|-------------------|----------------|---------------|----------------|----------------|----------------|----------------|
| Maturity date | % | Issue date | Series | April 1/1989 | Issues | Retirements | March 31/1990 | 1990 | 1989 |
| | | , | | \$ | \$ | \$ | \$ | \$ | \$ |
| 1989—Nov 1 | 10.5 | 1982-83 | S37 | 4,422,540,800 | | 4,422,540,800 | | -4,422,540,800 | -789,279,100 |
| 1990-Nov 1 | 10.5 | 1983-84 | S38 | 4,597,832,200 | | 790,240,300 | 3,807,591,900 | -790,240,300 | -695,139,000 |
| 1991-Nov 1 | 10.5 | 1984-85 | S39 | 5,203,413,300 | | 929,076,000 | 4,274,337,300 | -929.076.000 | -976,390,300 |
| 1992-Nov 1 | 10.5 | 1985-86 | S40 | 6,637,590,800 | | 1,097,324,400 | 5,540,266,400 | -1,097,324,400 | -1,230,548,600 |
| 1993-Nov 1 | 10.5 | 1986-87 | S41 | 4,308,107,500 | | 879,283,900 | 3,428,823,600 | -879,283,900 | -1,326,901,300 |
| 1997-Nov 1 | 10.5 | 1987-88 | S42 | 10,631,078,600 | | 2,728,313,900 | 7,902,764,700 | -2,728,313,900 | -6,019,845,209 |
| 1998-Nov 1 | 10.5 | 1988-89 | S43 | 11,955,123,100 | | 4,196,175,400 | 7,758,947,700 | -4,196,175,400 | 11,955,123,100 |
| 2001-Nov 1 | 10.5 | 1989-90 | S44 ^{{1} | } | 9,328,934,937 | 1,112,990,137 | 8,215,944,800 | 8,215,944,800 | |
| Account without co | urrent transa | actions | | | | | 1 | | -6,484,831,100 |
| Total | | | | 47,755,686,300 | 9,328,934,937 | 16,155,944,837 | 40,928,676,400 | -6,827,009,900 | -5,567,811,509 |

^[1] S44 includes bonds related to Government's participation in the Canada savings bonds Payroll Savings Plan.

Special Non-Marketable Bonds

Special non-marketable bonds are interest-bearing certificates of indebtedness issued by the Government of Canada exclusively to the Canada Pension Plan Investment Fund, and have the following characteristics:

- -not negotiable;
- -not transferable;

- -not assignable;
- -issued in Canadian currency only;
- -term to maturity of 20 years or less;
- -interest payable semi-annually; and,
- -redeemable at face value plus accrued interest.

Table 10.4 presents a summary of the balances and transactions for these special non-marketable bonds.

TABLE 10.4
SPECIAL NON-MARKETABLE BONDS

| | | | | | Net increase or | decrease (-) |
|--------------------------------------|---------------|------------|-------------|---------------|-----------------|-----------------------|
| | April 1/1989 | Issues | Retirements | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Canada Pension Plan Investment Fund— | | | | | | |
| Matured 1989-90 | 4,059,000 | | 4,059,000 | | -4,059,000 | |
| Maturing 1990-91 | 5,447,000 | | | 5,447,000 | | |
| 1991-92 | 6,540,000 | | | 6,540,000 | | |
| 1992-93 | 7,112,000 | | | 7,112,000 | | |
| 1993-94 | 7,907,000 | | | 7,907,000 | | |
| 1994-95 | 9,087,000 | | | 9,087,000 | | |
| 1995-96 | 10,217,000 | | | 10,217,000 | | |
| 1996-97 | 10,651,000 | | | 10,651,000 | | |
| 1997-98 | 11,351,000 | | | 11,351,000 | | |
| 1998-99 | 12,015,000 | | | 12,015,000 | ł. | |
| 1999-2000 | 17,709,000 | | | 17,709,000 | | |
| 2000-01 | 22,971,000 | | | 22,971,000 | | |
| 2001-02 | 17,622,000 | | | 17,622,000 | | |
| 2002-03 | 17,414,000 | | | 17,414,000 | | |
| 2003-04 | 17,259,000 | | | 17.259.000 | | |
| 2004-05 | 16,661,000 | | | 16,661,000 | | |
| 2005-06 | 239,955,000 | | | 239,955,000 | | |
| 2006-07 | 1,352,282,000 | | | 1,352,282,000 | | |
| 2007-08 | 699,981,000 | | | 699,981,000 | | |
| 2008-09 | 519,360,000 | | | 519,360,000 | | 519,360,000 |
| 2009-10 | , , | 71,112,000 | | 71,112,000 | 71,112,000 | , _ , _ , _ , _ , _ , |
| Account without current transactions | | | | ,,. | . , , | -5,607,000 |
| Total | 3,005,600,000 | 71,112,000 | 4,059,000 | 3,072,653,000 | 67,053,000 | 513,753,000 |

Treasury Bills

Treasury bills are short-term certificates of indebtedness issued by the Government of Canada to pay sums of money on given dates, and have the following characteristics:

- —issued at a discount in lieu of interest payments:
- -common terms: 3 months, 6 months and 12 months;
- -issued in Canadian currency only;
- -transferable; and,
- -bought and sold on the open market.

TABLE 10.5

TREASURY BILL ISSUES AND REDEMPTIONS (in millions of dollars)

Three-month and six-month bills are usually issued weekly, while other bills are issued every two weeks, usually for periods of one year or less.

The balance at March 31, 1990 consists of \$39,100 million in three-month bills; \$39,800 million in six-month bills; and, \$39,650 million in 364-day bills.

Table 10.5 presents a monthly summary of Treasury bill issues and redemptions.

| | | lssu | es | | | _ | | | |
|---------------------------|------------------|------------------|----------------|---------|------------------|------------------|----------------|---------|---------------|
| | 3 month bills | 6 month bills | Other bills | Total | 3 month bills | 6 month bills | Other bills | Total | Net change |
| April, 1989 | 12,450 | 6,100 | 3,750 | 22,300 | 11,350 | 5,800 | 2,050 | 19,200 | 3,100 |
| May | 11,150 | 5,550 | 4,350 | 21,050 | 10,950 | 3,750 | 3,900 | 18,600 | 2,450 |
| June | 17,250 | 8,850 | 6,400 | 32,500 | 14,600 | 6,950 | 4,350 | 25,900 | 6,600 |
| July | 12,250 | 6,000 | 4,850 | 23,100 | 12,450 | 5,800 | 5,300 | 23,550 | -450 |
| August | 11,950 | 6,000 | 4,900 | 22,850 | 11,150 | 5,550 | 4,000 | 20,700 | 2,150 |
| September | 15,650 | 7,900 | 4,750 | 28,300 | 17,250 | 7,050 | 4,650 | 28,950 | -650 |
| October | 11,750 | 5,900 | 3,750 | 21,400 | 12,250 | 6,100 | 3,400 | 21,750 | -350 |
| November | 12,950 | 6,500 | 6,050 | 25,500 | 11,950 | 5,550 | 4,750 | 22,250 | 3,250 |
| December | 15,800 | 7,900 | 6,500 | 30,200 | 15,650 | 8,850 | 3,950 | 28,450 | 1,750 |
| January, 1990 | 11,600 | 5,800 | 2,900 | 20,300 | 11,750 | 6,000 | 5,000 | 22,750 | -2,450 |
| February | 11,650 | 5,750 | 4,200 | 21,600 | 12,950 | 6,000 | 2,600 | 21,550 | 50 |
| March | 15,850 | 7,950 | 5,000 | 28,800 | 15,800 | 7,900 | 4,700 | 28,400 | 400 |
| | 160,300 | 80,200 | 57,400 | 297,900 | 158,100 | 75,300 | 48,650 | 282,050 | 15,850 |
| Balance at April 1, 1989 | | | | | | | | _ | 102,700 |
| Balance at March 31, 1990 | | | | | | | | | 118,550 |

Notes and Loans

These accounts record borrowings made under agreements with banks in Canada, United States, Switzerland, Japan and other international banks. They also record the borrowings of Canadair Financial Corporation Inc (now called Cartierville Financial Corporation Inc) which were directly assumed by the Government of Canada pursuant to Regional Industrial Expansion Vote 7c, Appropriation Act No. 4, 1984-85.

The balances at March 31, 1990 consist of:

- -\$18,000,000 US (\$21,051,000 Cdn) in notes assumed from Canadair Financial Corporation Inc (now called Cartierville Financial Corporation Inc); and,

The foreign currency balances were translated into Canadian dollars using the year-end closing rates of exchange at March 31, 1990.

Table 10.6 presents a summary of the balances and transactions for the notes and loans.

TABLE 10.6
NOTES AND LOANS

| Maturity date | % | Issue date | April 1/1989 | Issues ^[1] | Retirements ^{{1} } | | Net incre | Net increase or decrease (-) | |
|---|-------|------------|---------------|-----------------------|-----------------------------|-------------|----------------|------------------------------|--|
| | | | | | | March 31/19 | 90 1990 | 1989 | |
| | | | \$ | \$ | \$ | \$ | \$ | \$ | |
| Payable in foreign currencies— | | | | | | | | | |
| United States dollars— | | | | | §*. | | | | |
| Notes payable to— | | | | | | | | | |
| Debts assumed from Canadair | | | | | | 4 | | 1111 | |
| Financial Corporation Inc ^{{2} } | 8.5 | various | 237,332,100 | | 216,281,100 | 21,051,000 | -216,281,100 | -15,822,400 | |
| 1990—Mar 22 | 11.5 | Mar 22/85 | 596,250,000 | | 596,250,000 | | -596,250,000 | -21,200,000 | |
| | | | 833,582,100 | | 812,531,100 | 21,051,000 | -812,531,100 | -37,022,400 | |
| Swiss francs— | | | | | | | | | |
| 1989May 3 | 5.625 | May 3/84 | 215,130,000 | | 215,130,000 | | -215,130,000 | -56,160,000 | |
| 1990—May 15 | 5.125 | May 15/84 | 143,420,000 | 12,660,000 | | 156,080,000 | 12,660,000 | -37,440,000 | |
| | | • | 358,550,000 | 12,660,000 | 215,130,000 | 156,080,000 | -202,470,000 | -93,600,000 | |
| Japanese yen- | | | | | | | | | |
| 1993—Nov 27 | 7 | Nov 27/85 | 718,640,000 | | 718,640,000 | | ~718,640,000 | -75,840,000 | |
| Accounts without current transaction | ıs | | | | | | | -1,809,170,000 | |
| Total | | | 1,910,772,100 | 12,660,000 | 1,746,301,100 | 177,131,000 | -1,733,641,100 | -2,015,632,400 | |

¹¹¹ Issues and retirements include the translation of foreign currencies to Canadian dollars using closing rates of exchange at March 31.

Canada Bills

Canada bills are short-term certificates of indebtedness issued by the Government of Canada in the United States money markets under the Government's foreign currency borrowing program. Canada bills provide Canada with an additional source of short-term U.S. funds and have the following characteristics:

—issued at a discount in lieu of interest payments;

- —term to maturity of not more than 270 days;
- -transferable; and,
- —bought and sold on the open market.

The year-end balance of Canada bills payable in US dollars was translated into Canadian dollars using the closing rate of exchange at March 31, 1990.

Table 10.7 presents a monthly summary of Canada bill issues and redemptions.

^{2} Subject to redemption before maturity.

TABLE 10.7

CANADA BILL ISSUES AND REDEMPTIONS

| | Issues | Redemptions | Net change |
|---|---------------|---------------|---------------|
| | \$ | \$ | \$ |
| April, 1989 | 421,821,252 | 406,479,128 | 15,342,124 |
| May | 476,822,835 | 493,582,986 | -16,760,151 |
| une | 794,106,604 | 847,283,713 | -53,177,109 |
| uly | 583,118,354 | 545,909,711 | 37,208,643 |
| August | 340,411,477 | 202,537,212 | 137,874,265 |
| eptember | 181,125,412 | 554,592,716 | -373,467,304 |
| ctober | 572,716,941 | 538,331,853 | 34,385,088 |
| ovember | 761,336,890 | 648,891,877 | 112,445,013 |
| ecember | 583,626,536 | 817,983,191 | -234,356,655 |
| nuary, 1990 | 693,287,394 | 442,718,700 | 250,568,694 |
| ebruary | 781,822,194 | 745,483,236 | 36,338,958 |
| farch | 1,159,791,804 | 783,462,765 | 376,329,039 |
| | 7,349,987,693 | 7,027,257,088 | 322,730,605 |
| salance at April 1, 1989 | | | 1,130,740,425 |
| alance before valuation | | | 1,453,471,030 |
| exchange valuation adjustment at March 31, 1990 | | | -7,677,824 |
| Balance at March 31, 1990 | | | 1,445,793,206 |

SUPPLEMENTARY STATEMENTS

Interest Rates

Table 10.8 sets out unmatured debt as at March 31, for each of the years 1985-86 to 1989-90 inclusive, with the average rate of interest thereon. For purposes of comparison,

unmatured debt is classified as to marketable bonds, non-marketable bonds (include Canada savings bonds and the Canada Pension Plan Investment Fund), Treasury bills, notes and loans, and Canada bills.

TABLE 10.8

UNMATURED DEBT AS AT MARCH 31, FROM 1986 TO 1990, WITH THE AVERAGE RATE OF INTEREST THEREON

| | | | N | on-marke | table bonds | | | | | | | | | |
|------|----------------------------|-----------------------------|----------------------------|-----------------------------|------------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | Marketal | ole bonds | | nada s bonds | Can Pensio Inves Fu | n Plan ment | Treasu | ry bills | Notes a | nd loans | Canada | a bills | Tot unmatur (gro | ed debt |
| | Amount out- standing | Average interest rate | Amount out- standing | Average interest rate | Amount out- standing | Average interest rate | Amount out- standing | Average interest rate | Amount out- standing | Average interest rate | Amount out- standing | Average interest rate | Amount out- standing | Average interest rate |
| | \$(millions) | % | \$(millions) | % | \$(millions) | % | \$(millions) | % | \$(millions) | % | \$(millions) | % | \$(millions) | % |
| 1990 | . 131,810 | 10.48 | 40,929 | 10.50 | 3,072 | 10.03 | 118,550 | 12.32 | 177 | 5.53 | 1,446 | 8.20 | 295,984 | 11.20 |
| 1989 | . 121,121 | 10.61 | 47,756 | 10.50 | 3,005 | 10.03 | 102,700 | 11.30 | 1,911 | 8.73 | 1,131 | 9.41 | 277,624 | 10.82 |
| 1988 | . 110,222 | 10.62 | 53,323 | 9.18 | 2,492 | 9.98 | 81,050 | 8.57 | 3,926 | 8.73 | 1,045 | 6.77 | 252,058 | 9.61 |
| 1987 | . 100,294 | 10.90 | 44,309 | 8.35 | 1,796 | 10.00 | 76,950 | 7.87 | 5,097 | 9.82 | 1,045 | 5.81 | 229,491 | 9.34 |
| 1986 | . 86,957 | 11.44 | 44,245 | 10.12 | 445 | 11.08 | 61,950 | 10.13 | 7,920 | 9.14 | | | 201,517 | 10.66 |

Where various rates of interest are applicable, the interest rate in effect at March 31 is used.

Table 10.9 shows the average high and low yields of Treasury bills, at tender, together with the average yield on the latest issues for the years 1985-86 to 1989-90 inclusively.

TABLE 10.9
TREASURY BILLS AVERAGE YIELDS AT TENDER

| | High | Low | Last issue |
|------------------------|-------|-------|------------|
| Year ended March 31 | % | % | % |
| Three-month bills— | | | |
| 1990 | 13.26 | 11.89 | 13.26 |
| 1989 | 12.15 | 8.63 | 12.14 |
| 1988 | 9.58 | 6.90 | 8.53 |
| 1987 | 9.89 | 6.80 | 6.80 |
| 1986 | 11.85 | 8.52 | 10.19 |
| Six-month bills— | | | |
| 1990 | 13.59 | 11.59 | 13.59 |
| 1989 | 12.76 | 8.93 | 12.58 |
| 1988 | 10.53 | 7.17 | 8.81 |
| 1987 | 9.67 | 6.94 | 6.94 |
| 1986 | 11.59 | 8.75 | 10.19 |
| Other bills— | | | |
| 1990 | 13.51 | 10.97 | 13.51 |
| 1989 | 12.88 | 9.23 | 12.66 |
| 1988 | 11.10 | 7.38 | 9.02 |
| 1987 | 9.66 | 7.13 | 7.19 |
| 1986 | 10.96 | 8.38 | 9.89 |

Maturity of Government Debt

Table 10.10 presents total unmatured debt arranged in order of maturity.

TABLE 10.10

MATURITY OF GOVERNMENT DEBT

| | | | N | on-marke | table bonds | | | | | | | | 0.611 | 1 |
|---------|---|---|---|---|------------------------|---|--------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|--|--|
| | Marketab | le bonds | | nada s bonds | Pensio Inves | ada n Plan tment nd | Treasu | ry bills | Notes a | nd loans | Canad | a bills | Tot unmature (gro | ed debt |
| | Amount | Average interest rate | Amount | Average interest rate | Amount | Average interest rate | Amount | Average interest rate | Amount | Average interest rate | Amount | Average interest rate | Amount | Average interest rate |
| | \$(millions) | % | \$(millions) | % | \$(millions) | % | \$(millions) | % | \$(millions) | % | \$(millions) | % | \$(millions) | % |
| 1991 | 13,155 10,930 13,573 13,401 30,464 19,548 12,275 7,325 | 10.14 10.54 10.65 10.50 10.80 9.85 11.09 11.52 9.36 | 3,808 4,274 5,540 3,429 15,662 8,216 | 10.50 10.50 10.50 10.50 10.50 | 6 7 8 9 62 | 7.77 7.08 7.36 7.53 8.55 9.55 13.58 9.96 | 118,550 | 12.32 | 156 21 | 5.13 8.50 | 1,446 | 8.20 | 135,095 17,435 16,498 17,010 13,410 46,188 27,856 15,158 7,325 | 12.04 10.53 10.60 10.43 10.80 10.07 10.92 11.23 9.36 |
| 2016/19 | 9 | 10.19 | | | | | | | | | | | 9 | 10.19 |
| | 131,810 | 10.48 | 40,929 | 10.50 | 3,072 | 10.03 | 118,550 | 12.32 | 177 | 5.53 | 1,446 | 8.20 | 295,984 | 11.20 |

Note: this table includes unmatured debt issued by the Government of Canada. Borrowings of agent enterprise Crown corporations which are unconditional obligations of the Government, but not included in unmatured debt, can be found in Table 10.11.

Statement of all Borrowing Transactions on behalf of Her Majesty

Table 10.11 presents the information required by Section 49 of the Financial Administration Act. The borrowing transactions included in this table are: borrowings by the Government for general purposes, and borrowings by agent enterprise Crown corporations which are reported as such on the Government's Statement of Assets and Liabilities, except where the Government is the lender. Borrowings by non-agent enterprise Crown corporations are not included because such borrowings are not on behalf of Her Majesty.

TABLE 10.11

STATEMENT OF ALL BORROWING TRANSACTIONS ON BEHALF OF HER MAJESTY (in millions of dollars)

| | April 1/1989 | Issues/ Borrowings | Retirements | March 31/1990 |
|--|--------------|-----------------------|-------------|---------------|
| Unmatured debt of the Government of Canada ^[1] | 276,301 | 334,377 | 316,116 | 294,562 |
| Borrowings of enterprise Crown corporations designated as agents of of Her Majesty [2] | 15,001 | 70,414 | 68,707 | 16,708 |
| Total | 291,302 | 404,791 | 384,823 | 311,270 |

[1] Details can be found in this section.

Details can be found in Section 6 (Table 6.7) of this volume.



SECTION 11

1989-90 PUBLIC ACCOUNTS

Other Information Related to the Financial Statements

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| Other accounts reported on the Statement of Assets | |
| and Liabilities | |
| Accounts receivable | . 11.2 |
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| Accumulated deficit | . 11.8 |
| Other information— | |
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| Insurance programs of agent enterprise Crown corporations | 11.14 |
| Contingent liabilities | . 11.15 |
| | |

OTHER ACCOUNTS REPORTED ON THE STATEMENT OF ASSETS AND LIABILITIES

This section contains information on accounts reported on the Statement of Assets and Liabilities, which are not included elsewhere in this volume. These accounts are:

- -accounts receivable;
- -cash in transit;
- -cash;
- -fixed assets; and,
- -accumulated deficit.

Accounts Receivable

Table 11.1 presents a summary of the balances and transactions for accounts receivable. Chart A compares accounts receivable for the last five fiscal years.

TABLE 11.1

ACCOUNTS RECEIVABLE

| | | | | | Net increase or decrease (-) | | |
|----------------------------|---------------|---------------|---------------|---------------|------------------------------|-------------|--|
| | April 1/1989 | Credits | Charges | March 31/1990 | 1990 | 1989 | |
| | \$ | \$ | S | \$ | \$ | \$ | |
| Non-tax revenue receivable | 1,907,000,000 | 1,907,000,000 | 1,998,000,000 | 1,998,000,000 | 91,000,000 | 69,000,000 | |
| Crown corporations [1] | 250,379,000 | 250,379,000 | 321,648,000 | 321,648,000 | 71,269,000 | -38,708,000 | |
| Total | 2,157,379,000 | 2,157,379,000 | 2,319,648,000 | 2,319,648,000 | 162,269,000 | 30,292,000 | |

^[11] In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

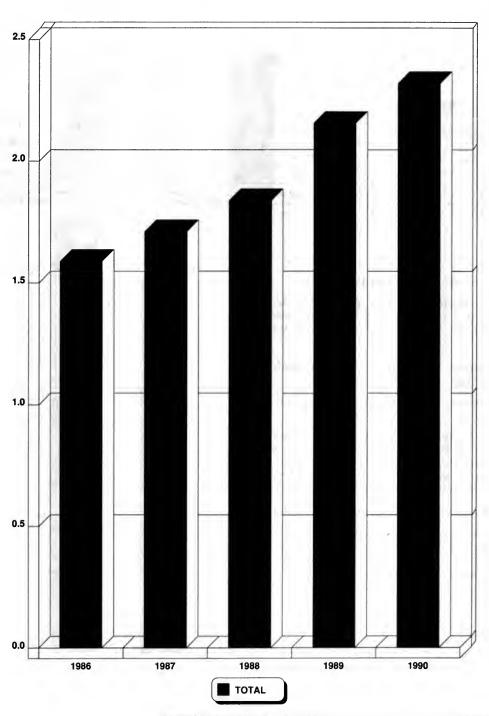
Non-tax revenue receivable

This account records accrued financial claims arising from non-tax revenue amounts owed to the Government.

Accounts receivable of consolidated Crown corporations

This account records the financial claims of consolidated Crown corporations.

CHART A
ACCOUNTS RECEIVABLE
(in billions of dollars)



OTHER INFORMATION RELATED TO THE FINANCIAL STATEMENTS 11.3

Cash in Transit

Table 11.2 presents a summary of the balances and transactions for cash in transit. Chart B compares cash in transit for the last five fiscal years.

TABLE 11.2

CASH IN TRANSIT

| | | | Net increase or decrease (-) | | | |
|--|-------------------------------------|----------------------------|------------------------------|----------------------------|----------------------------|---------------------------|
| | April 1/1989 | Credits | Charges | March 31/1990 | 1990 | 1989 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash in hands of collectors in transit Moneys received after March 31 but applicable | 1,603,483,534 | 1,603,483,534 | 1,776,203,283 | 1,776,203,283 | 172,719,749 | -671,566,473 |
| to the current year | 331,106,792 1 5 2,047,000 | 331,106,792 152,047,000 | 187,799,552 172,120,000 | 187,799,552 172,120,000 | -143,307,240 20,073,000 | 284,003,751 40,300,000 |
| Total | 2,086,637,326 | 2,086,637,326 | 2,136,122,835 | 2,136,122,835 | 49,485,509 | -347,262,722 |

In 1989-90, changes have been made in accounting policies, and certain Crown corporations are now part of the Government's reporting entity. The changes were applied retroactively and the previous year's deficit and accumulated deficit have been restated for consistency. Additional information is provided in Section 5 of this volume (Table 5.1) and in the audited financial statements (Section 2 of this volume).

Cash in hands of collectors and in transit

This account records public moneys received by public officers prior to April 1, but not deposited to the credit of the Receiver General for Canada in the Bank of Canada, before that date.

Moneys received after March 31 but applicable to the current year

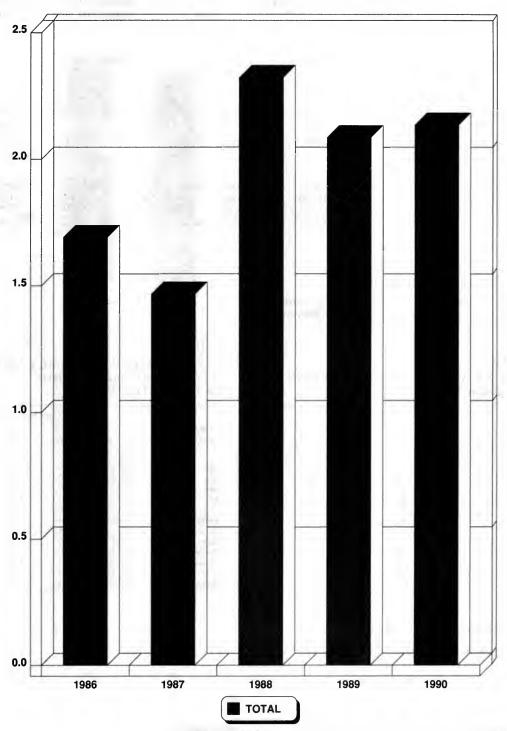
Public moneys received after March 31, but applicable to the year just ended, are recorded in this account.

This account includes refunds of old year expenditure received prior to the closing of the accounts, and receipts to be credited to asset, liability, and (in exceptional cases) revenue accounts, where the omission of the credits in the old year would tend to make the accounting incomplete or inconsistent.

Other cash—Consolidated Crown corporations

This account records the cash position of the consolidated Crown corporations. These funds are not public moneys to the credit of the Receiver General for Canada but are for the exclusive use of these Crown corporations. CHART B
CASH IN TRANSIT
(in billions of dollars)

Term through more



OTHER INFORMATION RELATED TO THE FINANCIAL STATEMENTS 11.5

Cash

The Government's cash account represents public moneys on deposit at March 31, to the credit of the Receiver General for Canada, with the Bank of Canada, chartered banks and other financial institutions.

The cash position of the Government is affected not only by budgetary transactions, but also by non-budgetary, foreign exchange and unmatured debt transactions, all of which must be taken into account when considering the full scope of the Government's financial operations. Table 11.3 presents a summary of the balances and related transactions in current and special Receiver General deposits. Chart C compares cash for the last five fiscal years.

The year-end balances denominated in foreign currencies have been translated into Canadian dollar equivalents at year-end closing rates of exchange. Foreign currencies held include United Kingdom pounds sterling, United States dollars, Belgian, Swiss and French francs, and West German marks.

TABLE 11.3

CASH

| | | | | | Net increase or | Net increase or decrease (-) | | |
|--------------------|---------------|-----------------|-----------------|--------------------------|-----------------|------------------------------|--|--|
| | April 1/1989 | Receipts | Disbursements | March 31/1990 | 1990 | 1989 | | |
| | \$ | \$ | \$ | \$ | · S | \$ | | |
| Receiver General— | | | | | | | | |
| Current deposits— | | | | | | | | |
| Canadian currency | 1,708,379,037 | 531,997,984,048 | 532,337,042,552 | 1,369,320,533 | -339,058,504 | 327,485,109 | | |
| Foreign currencies | 101,485,440 | 1,759,566,414 | 1,741,147,585 | 119,904,269 ¹ | 18,418,829 | -34,705,514 | | |
| Special deposits | 23,332,746 | 2,069,676,773 | 2,070,541,601 | 22,467,918 | -864,828 | 7,129,106 | | |
| Total | 1,833,197,223 | 535,827,227,235 | 536,148,731,738 | ,1,511,692,720 | -321,504,503 | 299,908,701 | | |

Receiver General current deposits

The monthly balances of Canadian and foreign currency deposits for the last five years are presented in the following tables:

TABLE 11.4

CASH IN CANADIAN CURRENCY DEPOSITS (in millions of dollars)

| | Year ended March 31 | | | | | | | | |
|--------------------|---------------------|-------|-------|-------|--------|--|--|--|--|
| At end of month of | 1990 | 1989 | 1988 | 1987 | 1986 | | | | |
| April | 821 | 865 | 7,268 | 3,491 | 3,268 | | | | |
| May | 3,353 | 3,874 | 4,046 | 4,874 | 3,989 | | | | |
| June | 2,636 | 2,348 | 615 | 2,951 | 2,747 | | | | |
| July | 1,466 | 3,588 | 3,101 | 3,190 | 2,437 | | | | |
| August | 3,112 | 3,021 | 1,814 | 2,474 | 3,634 | | | | |
| September | 869 | 1,953 | 2,532 | 1,658 | 4,527 | | | | |
| October | 1,064 | 5,028 | 5,624 | 5,104 | 6,449 | | | | |
| November | 331 | 76 | 7,154 | 2,141 | 10,566 | | | | |
| December | 2,658 | 3,083 | 2,942 | 3,343 | 5,599 | | | | |
| January | 4,241 | 912 | 2,829 | 3,123 | 3,953 | | | | |
| February | 2,981 | 988 | 2,654 | 4,075 | 4,993 | | | | |
| March | 1,369 | 1,708 | 1,381 | 4,479 | 4,566 | | | | |

TABLE 11.5

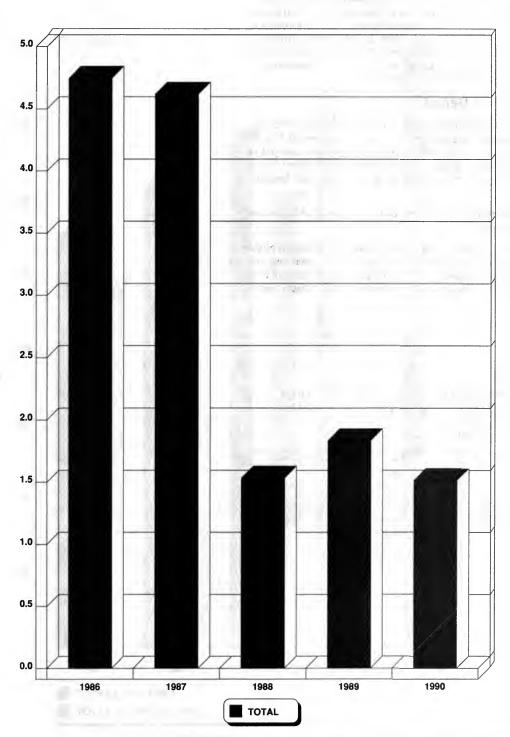
CASH IN FOREIGN CURRENCY DEPOSITS (translated into Canadian dollars) (in millions of dollars)

| | | Year | ended Marc | h 31 | |
|--------------------|------|------|------------|------|------|
| At end of month of | 1990 | 1989 | 1988 | 1987 | 1986 |
| | | P. | | - | |
| April | 51 | 110 | 74 | 73 | 30 |
| May | 77 | 95 | 81 | 82 | 29 |
| June | 79 | 99 | 111 | 71 | 37 |
| July | 84 | 97 | 106 | 83 | 44 |
| August | 55 | 80 | 83 | 83 | 72 |
| September | 65 | 91 | 72 | 63 | 72 |
| October | 51 | 116 | 70 | 57 | 43 |
| November | 80 | 50 | 79 | 81 | 36 |
| December | 40 | 40 | 87 | 105 | 90 |
| January | 73 | 61 | 107 | 79 | 84 |
| February | 84 | 151 | 78 | 73 | 86 |
| March | 120 | 101 | 136 | 122 | 154 |

Receiver General special deposits

These are balances in the hands of fiscal agents of the Government, for the purchase or redemption of Government securities, and for the payment of interest.

CHART C CASH (in billions of dollars)



OTHER INFORMATION RELATED TO THE FINANCIAL STATEMENTS 11.7

Fixed Assets

Fixed assets are tangible, durable items of value, including major additions or alterations thereto, from which benefits are expected to be derived during their useful lives.

The fixed assets of the Government, which include land, engineering structures and works (such as canals, harbours and roads), buildings, and machinery and equipment, are charged to budgetary expenditure at the time of acquisition or construction, in accordance with the accounting policies of the Government of Canada which are described in Note 1 to the audited financial statements (Section 2 of this volume). Their existence, however, is acknowledged on the Statement of Assets and Liabilities by reporting them at the nominal value of \$1.

Accumulated Deficit

The accumulated deficit is the account recording the net sum of annual deficits and surpluses of the Government of Canada since Confederation, together with certain amounts charged or credited directly to this account. The accumulated deficit is also equal to the excess of recorded liabilities over total financial assets.

A Statement of Accumulated Deficit is published in Section 2 of this volume.

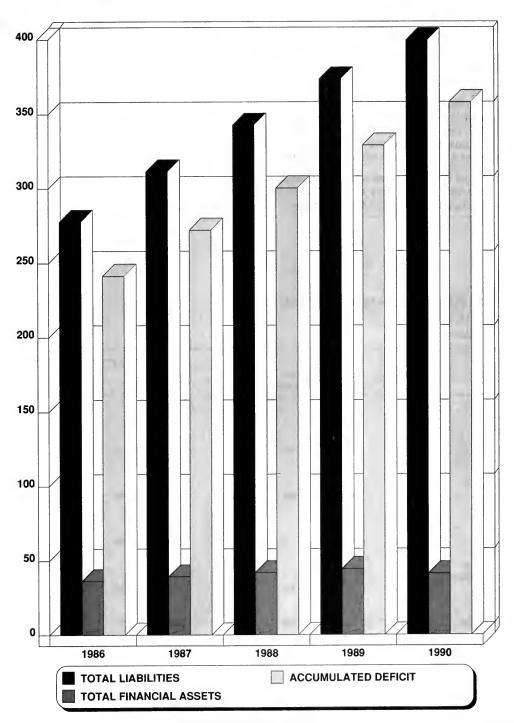
Table 11.6 presents a five year comparative statement of the accumulated deficit, in terms of total liabilities and total financial assets. Chart D compares the accumulated deficit in terms of total liabilities and total financial assets for the last five fiscal years.

TABLE 11.6
STATEMENT OF ACCUMULATED DEFICIT IN TERMS OF TOTAL LIABILITIES AND TOTAL FINANCIAL ASSETS (in millions of dollars)

| | | Less: | Accumu | Accumulated deficit | | | |
|----------------|----------------------|------------------------------|----------|--------------------------|--|--|--|
| As at March 31 | Total liabilities | total financial assets | Amount | Increase or decrease (-) | | | |
| 1990 | 399,436 | 41,475 | 357,961- | 28,996 | | | |
| 1989 | 373,547 | 44,582 | 328,965 | 28,951 | | | |
| 1988 | 342,532 | 42,518 | 300,014 | 28,201 | | | |
| 1987 | 311,510 | 39,697 | 271,813 | 30,733 | | | |
| 1986 | 277,803 | 36,723 | 241,080 | 34,583 | | | |

CHART D
ACCUMULATED DEFICIT
(in billions of dollars)

1



OTHER INFORMATION RELATED TO THE FINANCIAL STATEMENTS 11.9

OTHER INFORMATION

Contractual Commitments

A contractual commitment represents a written obligation to outside organizations or individuals as a result of a contract. The nature of the Government's activities requires it to enter into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenditure. Major capital assets of the Government are either purchased outright or leased. Where a lease transfers substantially all of the benefits and risks incidental to ownership of the property to the lessee, it is considered a capital lease. All other leases are classified as operating leases. Contractual commitments can be classified into four categories: fixed assets, purchases, operating leases and capital leases.

All contractual commitments of \$100 million or more per project are reported in the case of fixed assets, purchases and operating leases. In the case of capital leases, all capital lease arrangements with total minimum lease payments remaining at year end in excess of \$1 million per contract are reported.

In accordance with the Government's significant accounting, policies, the contractual commitments of consolidated Crown corporations are included with those of the Government.

Fixed assets, purchases and operating leases

Table 11.7 provides details of contractual commitments that involve fixed assets, operating leases and purchases. It discloses individual contractual commitments by category and by entity. Contractual commitments are summarized in Note 15 to the audited financial statements in Section 2 of this volume.

Fixed assets are tangible, durable items of value, including major additions or alterations thereto and including military equipment, from which benefits are expected to be derived during their useful life and including land.

Purchase commitments are commitments supported by a contract to supply goods or services. An operating lease is a lease in which the lessor does not transfer substantially all the benefits and risks incident to ownership of property.

TABLE 11.7

FIXED ASSETS, PURCHASES AND OPERATING LEASES AS AT MARCH 31, 1990
(in millions of dollars)

| | Total | | | | Ou | itstanding com | mitment to b | e disbursed | by March | 31 |
|--|-------------------|-------------------|------------------|------------------------|------|----------------|--------------|-------------|----------|-----------|
| | estimated cost | Amount contracted | Amount disbursed | Outstanding commitment | 1991 | 1992 | 1993 | 1994 | 1995 | 1996/2000 |
| Fixed assets— | | | | | | | | | | |
| National Defence— | | | | | | | | | | |
| Heavy Logistics | | | | | | | | | | |
| Military | | | | | | | | | | |
| Vehicle | 257 | 257 | 156 | 101 | 87 | 14 | | | | |
| Tribal Class | | | | | | | | | | |
| Update and | | | | | | | | | | |
| Modernization Pro- | | | | | | | ***** | | | |
| gram-Warships | 1,421 | 1,244 | 908 | 336 | 108 | 134 | 67 | 27 | | |
| Arctic and maritime surveillance | ., | 1,2 | | | 100 | | | - | | |
| aircraft | 257 | 165 | 1 | 164 | 2 | 154 | 8 | | | |
| Low Level Air Defence—Anti-air- craft guns and surface- | | | | | | | | | | |
| to-air missiles | 1,135 | 858 | 382 | 476 | 104 | 233 | 122 | 17 | | |
| Canadian Patrol Frigate | | | | | | | | | | |
| Program—Warships | 9,265 | 7,233 | 4,044 | 3,189 | 850 | 537 | 418 | 307 | 259 | 818 |
| North American Air Defence Modernization— Land, buildings, radar sites | | | | | | | | | | |
| and communications | | | | | | | | | | |
| equipment | 997 | 800 | 474 | 326 | 161 | 106 | 59 | | | |

TABLE 11.7

FIXED ASSETS , PURCHASES AND OPERATING LEASES AS AT MARCH 31, 1990—Concluded (in millions of dollars)

| | Total | | | | Ou | tstanding com | nmitment to be disbursed by March 31 | | | |
|---|-------------------|-------------------|---------------------|------------------------|----------|---------------|--------------------------------------|------|------|----------|
| | estimated cost | Amount contracted | Amount disbursed | Outstanding commitment | 1991 | 1992 | 1993 | 1994 | 1995 | 1996/200 |
| Transport— Radar Automation Modernization Program | 616 | 605 | 516 | 89 | 54 | 29 | 6 | | | |
| Automated flight data processing | | | | | | | | | | |
| and display systems | 466 | 377 | 2 | 375 | 39 | 65 | 52 | 56 | 110 | 53 |
| Sub total | 14,414 | 11,539 | 6,483 | 5,056 | 1,405 | 1,272 | 732 | 407 | 369 | 871 |
| Consolidated Crown corporations— National Capital | | | | | | | | | *** | |
| Commission VIA Rail Canada Inc | | | | 4 116 | 4 116 | | | | | |
| Sub total | | | | 120 | 120 | | | | | |
| Total fixed assets | 14,414 | 11,539 | 6,483 | 5,176 | 1,525 | 1,272 | 732 | 407 | 369 | 871 |
| Purchases — National Defence— Ammunition | 1,057 | 1,057 | 888 | 169 | 131 | 17 | 21 | | | |
| Consolidated Crown | 1,037 | 1,037 | 000 | 109 | 131 | | | | | |
| corporations— Canadian | | | | | | | | | | |
| Broadcasting Corporation Canadian | | | | 305 | 305 | | | | | |
| Film Develop- ment | | | | 32 | 32 | | | | | |
| Corporation | | | | | | | | | | |
| Centre for Ocean | | | | | | | | | | |
| Development | | | | 11 | 11 | | | | | |
| Sub total | | | | 348 | 348 | | | | | |
| Total purchases | 1,057 | 1,057 | 888 | 169 | 131 | 17 | 21 | | | |
| Operating leases— Consolidated Crown | | | | | | | | | | |
| corporations— | | | | | | | | | | |
| Canada Council Canada Harbour Place | | | | 15 | 2 | 2 | 2 | 2 | 2 | 5 |
| Corporation | | | | 3 | | | | 1 | 2 | |
| Development Research Centre Jacques Cartier | | | | 37 | 6 | 5 | 5 | 5 | 4 | 12 |
| and Champlain Bridges | | | | | | 1 | | | | |
| Incorporated, The National Capital | | | | 1 | | 1 | | | | |
| Commission VIA Rail Canada Inc | | | | 8 317 | 4 10 | 3 14 | 1 10 | 9 | 10 | 264 |
| Total operating leases | | | - | 381 | 22 | 25 | 18 | 17 | 18 | 281 |
| Total | 15,471 | 12,596 | 7,371 | 5,726 | 1,678 | 1,314 | 771 | 424 | 387 | 1,152 |

Capital Leases

Table 11.8 provides details of commitments under capital lease arrangements which are summarized in Note 15 to the audited financial statements in Section 2 of this volume. A capital lease is a lease that, from the point of view of the Government, transfers substantially all the benefits and risks incident to ownership of the asset to the Government. Table 11.9 presents commitments under capital lease arrangements in order of maturity. There were no purchase options exercised during the year.

TABLE 11.8

COMMITMENTS UNDER CAPITAL LEASE ARRANGEMENTS (in thousands of dollars)

| | | | | Total | | В | alances at M | arch 31, 199 | 0 |
|---|-------------------|---------------------------|--|--|----------------------------------|--|--|-----------------------|---|
| Department and agency identification of capital lease | Inception date | Lease term in years | Fair value of leased property at inception | estimated minimum lease payments, full term (excluding executory costs) | Implicit interest rate (%) | Total estimated remaining mini- mum lease payments | interest, using the implicit interest | Less: executory costs | Net commit ments under capital lease arrange ments |
| Communications | | | | | | | | | |
| Vax System 3600 | March 9, 1989 | 5 | 1,515 | 1,637 | 10 | 1,174 | 145 | | 1,029 |
| Indian Affairs and Northern Development Hewlett Packard computers | July 1, 1986 | 5 | 5,597 | 7,025 | 9 | 1,209 | 95 | | 1,114 |
| Industry, Science and Technology Mini computers | Jan 1, 1986 | 5 | 1,583 | 2,063 | 7 | 1,187 | 119 | 840 | 228 |
| Public Works | | | | | | | | | |
| Guy Favreau Building, Montréal | Dec 1,1983 | 35 | 87,600 | 422,950 | 13 (2) | 351,812 | 264,776 | | 87,036 |
| 240 Sparks St, CD Howe Building | Jan 1, 1979 | 35 | 63,853 | 213,500 | 9 (2) | 144,875 | 86,434 | | 58,441 |
| L'Esplanade Laurier, Ottawa | July 1, 1975 | 35 | 60,374 | 222,715 | 9 121 | 136,442 | 82,042 | | 54,400 |
| Place du Centre, Hull | Dec 1, 1977 | 30 | 26,201 | 96,600 | 11 | 59,354 | 35,723 | | 23,631 |
| Terrasses de la Chaudière, Hull Cornwall, Government of Canada | July 1, 1977 | 35 | 146,084 | 564,230 | 10 | 378,361 | 242,211 | | 136,150 |
| Building (GOCB) | Dec 1, 1984 | 35 | 9,600 | 49,420 | 15 (2) | 41,890 | 32,378 | | 9,512 |
| Scarborough (GOCB) | Dec 1, 1984 | 35 | 38,900 | 191,965 | 13 | 164,239 | 125,693 | | 38,546 |
| Chatham (GOCB) | June 1, 1985 | 35 | 4,940 | 20,783 | 12 | 17,915 | 13,048 | | 4,867 |
| Place Vincent Massey, Hull | Aug 1, 1986 | 25 | 23,439 | 78,627 | 13 | 67,092 | 43,760 | | 23,332 |
| Canada Place, Edmonton | Oct 1, 1988 | 35 | 105,000 | 438,865 | 12 | 420,057 | 315,463 | | 104,594 |
| | | | 565,991 (1) | 2,299,655 | | 1,782,037 | ,241,528 | | 540,509 |
| Total | | | 574,686 | 2,310,380 | | 1,785,607 1 | ,241,887 | 840 | 542,880 |

^[1] Estimated fair value.

 $^{^{\{2\}}}$ Lessors'/Lessees' financing rate per lease agreement is subject to change over term of lease.

TABLE 11.9

COMMITMENTS UNDER CAPITAL LEASE ARRANGEMENTS IN ORDER OF MATURITY (in thousands of dollars)

| | | | | | | Paym | ents due i | n | | | | |
|--|-------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-----------------|-------------------------------|
| Department and agency | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 to 2000 | 2001 to 2005 | 2006 to 2010 | 2011 to 2015 | 2016 to 2020 | 2021 to 2025 | Total |
| Communications | | | | | | | | | | | | |
| Remaining payments Imputed interest | 293 70 | 293 49 | 294 26 | 294 | | | | | | | | 1,174 145 |
| Net commitments | 223 | 244 | 268 | 294 | | | | | | | | 1,029 |
| Indian Affairs and Northern Development | | | | | | | | | | | | |
| Remaining payments | 1,209 95 | | | | | | | | | | | 1,209 95 |
| Net commitments | 1,114 | | | | | | | | | | | 1,114 |
| Industry, Science and Technology Remaining payments Imputed interest Executory costs | 1,187 119 840 | | | | | | | | - | | | 1,187 119 840 |
| Net commitments | 228 | | | | | | | | | | | 228 |
| Public Works Remaining payments Imputed interest | 63,664 59,896 | 63,664 59,504 | 63,664 59,072 | 63,664 58,595 | 63,664 58,068 | 318,319 280,224 | 318,319 255,499 | 321,465 206,546 | 283,997 128,258 | 177,630 66,274 | | 1,782,037 1,241,528 |
| Net commitments | 3,768 | 4,160 | 4,592 | 5,069 | 5,596 | 38,095 | 62,820 | 114,919 | 155,739 | 111,356 | 34,395 | 540,509 |
| Summary | | | | | | | | | | | | |
| Remaining payments Imputed interest Executory costs | 66,353 60,180 840 | 63,957 59,553 | 63,958 59,098 | , | 63,664 58,068 | | 318,319 255,499 | 321,465 206,546 | 283,997 128,258 | 177,630 66,274 | | 1,785,607 1,241,887 840 |
| Net commitments | 5,333 | 4,404 | 4,860 | 5,363 | 5,596 | 38,095 | 62,820 | 114,919 | 155,739 | 111,356 | 34,395 | 542,880 |

Insurance Programs of Agent Enterprise Crown Corporations

At present, three Crown corporations operate insurance programs as agents of Her Majesty. An insurance program is a program where the insured, an outside party, pays an insurance fee which is credited to an insurance fund or provision operated by the corporation. The amount of the fee is based on the estimated amount of insurance fund or provision needed to meet future claims. Insurance programs operated by private corporations such as employee group insurance, dental plans, etc, are not included in this definition.

The insurance programs are intended to operate on a self-sustaining basis but in recent years, two of the Crown corporations have required loans or other funding from the Government to meet obligations.

Information presented in Table 11.10 has not been audited since the information presented therein is derived from interim financial statements. The most recent annual financial statements of these corporations may be found in Volume III of the Public Accounts.

In Table 11.10, a minus "-" sign preceding the amount reported indicates a fund deficit, an expense recovery or adjustment, or a decrease or loss during the year.

TABLE 11.10

SUMMARY OF INSURANCE PROGRAMS OF AGENT ENTERPRISE CROWN CORPORATIONS FOR THE YEAR ENDED MARCH 31, 1990 (in millions of dollars)

| | Canada Deposit Insurance Corporation ^[1] | | | Canada Mo | rtgage and | Housing C | orporation ^l | 2) | | Export Development Corporation ^[3] | | | | | | | | | | |
|---|---|------------------|-----------|----------------|------------|-----------|-------------------------|---------|---------|--|---------|-----------------------|------------------------------|--------|----------------------|-------|-------|-----------------------------|--|--|
| | | | | | | | | | | | | igage rance ind | Mortgage Secur Guarant | rities | Ho Improv Loan | ement | Guara | Rental Guarantee Fund | | |
| | 1989-90 | 1988-89 | 1989-90 | 1988-89 | 1989-90 | 1988-89 | 1989-90 | 1988-89 | 1989-90 | 1988-89 | 1989-90 | 1988-89 | | | | | | | | |
| Insurance in force as at reporting date | 233,022 | 245,123 | 49,830 | 45,600 | 4,472 | 1,569 | [4] | [4] | N/A | N/A | 4,326 | 3,496 | | | | | | | | |
| Opening balance of Fund | -1,062 | -1,136 | -82 | -261 | [4] | -1 | 1 | 1 | 12 | 11 | 45 | 38 | | | | | | | | |
| Revenue for the year— Premiums and fees Investment income Other revenue | 245 4 25 | 216 2 -7 | 161 71 | 137 47 1 | 1 1 | I | | | 1 | 2 | 26 | 26 | | | | | | | | |
| Total revenue | 274 | 211 | 232 | 185 | 2 | 1 | [4] | [4] | 1 | 2 | 26 | 26 | | | | | | | | |
| Expense for the year— Loss on claims | -78 165 13 | -40 167 10 | 6 73 | -59 65 | 1 | 1 | | | -3 | 1 | 23 | 13 | | | | | | | | |
| Total expense | 100 | 137 | 67 | 6 | - 1 | [4] | [4] | [4] | -3 | 1 | 24 | 19 | | | | | | | | |
| Net income/loss (-) for the year | 174 | 74 | 165 | 179 | 1 | [4] | [4] | [4] | 4 | 1 | 2 | 7 | | | | | | | | |
| Closing balance of Fund | -888 | -1,062 | 83 | -82 | ı | [4] | 1 | 1 | 16 | 12 | 47 | 45 | | | | | | | | |
| Net claims during the year ^[5] | -195 | -33 | -30 | 8 | N/A | N/A | [4] | [4] | N/A | N/A | 7 | 10 | | | | | | | | |
| Five year average of net claims paid | 258 | 315 | 13 | 66 | N/A | N/A | [4] | [4] | _ N/A | N/A | 2 | 2 | | | | | | | | |

N/A-Not applicable.

The Canada Deposit Insurance Corporation (CDIC) provides insurance on deposits placed with member banks and trust and loan companies for up to \$60,000 per depositor, per institution. In recent years, premiums paid by member institutions have not been sufficient to meet obligations incurred by CDIC under the insurance plan. This deficiency has been funded, in part, by loans from the Government of \$1,375 million at March 31, 1990 (\$1,695 million at March 31, 1989). The Government is continuing to explore alternatives to allow CDIC, over the long run, to eliminate its deficiency without budgetary support from the Government. Since there is no reason to believe that this will not be the case, no provision has been made in the accounts of Canada for the losses experienced by CDIC.

reason to believe that this will not be the case, no provision has been made in the accounts of Canada for the losses experienced by CDIC.

Canada Mortgage and Housing Corporation (CMHC) administers four funds of which the Mortgage Insurance Fund (MIF) and the Mortgage-Backed Securities Guarantee Fund are active. The MIF provides insurance for a fee, to private sector lending institutions to cover mortgage lending on Canadian housing. Besides establishing a framework of confidence for mortgage lending by private institutions, the Fund facilitates an adequate supply of mortgage funds by reducing the risk to lenders and by encouraging the secondary market trading of mortgages, to make housing more accessible for Canadians. An actuarial study of the MIF as of September 30, 1989 disclosed that the Fund is more than sufficient to pay all future claims with respect to business in force. The surplus as at September 30, 1989 was estimated to be \$4.2 million. The Mortgage-Backed Securities (MBS) program was implemented in 1987. For a fee paid by approved financial institutions, CMHC and ultimately the Government, guarantee timely payment of principal and interest to MBS investors who participate in a pool of MIF insured first residential mortgages which have been repackaged by the financial institution into investments of \$5,000 denominations. Since 1984, the Corporation has also operated the Mortgage Rate Protection Program (MRPP). As premiums collected by CMHC for the Program are remitted directly to the Consolidated Revenue Fund (CRF) and obligations of the MRPP are ultimately payable from the CRF, the Mortgage Rate Protection Program does not meet the definition of a Crown corporation insurance plan as defined above. Therefore, operating particulars of this Program are not included in this summary but some information will be found in the notes to the Government of Canada Statement of Contingent Liabilities.

The Export Development Corporation (EDC) provides export and foreign investment insurance to Canadian business to facilitate and develop export trade. The insurance fund has been adequate to provide for the full cost of claims experienced to date and to establish an allowance for future claims based on previous claims experience.

^[4] Less than \$500,000.

Refers to the difference between claims and amounts received from sales of related assets and other recoveries.

Contingent Liabilities

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur.

For the purpose of reporting contingent liabilities, the Government of Canada is defined as all organizations which are accountable for the administration of their affairs and resources either to a Minister of the Government or directly to Parliament, and which are owned or controlled by the Government. Except for Government enterprises, all Government organizations are accounted in the financial statements by consolidation. Government enterprises are accounted for by the cost method and are defined to be those corporate organizations that sell goods and services to individuals and non-government organizations as their principal activity, and are not appropriation-dependent.

Consequently, the contingent liabilities of consolidated Crown corporations are included with those of the Government in Table 11.11 but in summary form only. For further details of contingent liabilities of consolidated Crown corporations, refer to Table 5.5—"Contingent Liabilities of Consolidated Crown Corporations". Particulars of contingent liabilities of enterprise

Crown corporations are not consolidated with those of the Government but details of these contingencies may be found in Table 6.10—"Contingent Liabilities of Enterprise Crown Corporations". Some Crown corporations also operate insurance programs. Information regarding these insurance programs can be found in Table 11.10 of this section.

The contingent liabilities of the Government comprise explicit guarantees by the Government, which include borrowings by other than Crown corporations, both from agent Crown corporations and from other than agents. Such explicit guarantees consist of guarantee programs of the Government, explicit guarantees by the Government for loans, financial arrangements and other potential liabilities, insurance programs of the Government and other explicit guarantees. They also comprise potential losses arising from pending and threatened litigation relating to claims and assessments in respect of breach of contract, damages to persons and property, and like items. Pending and threatened litigation is reported in total as are the contingent liabilities of consolidated Crown corporations in the following table. This table is also summarized in Note 17 to the audited financial statements of the Government in Section 2 of this volume.

TABLE 11.11
STATEMENT OF CONTINGENT LIABILITIES
AS AT MARCH 31, 1990

| | Authorized limit (where applicable) ^[1] | Contingent liability ¹²¹ | Percentage of net claims to outstanding guarantees (where applicable) ^[3] |
|---|---|--|---|
| | \$ | \$ | % |
| EXPLICIT GUARANTEES BY THE GOVERNMENT OF— | | | |
| Borrowings by Crown corporations which are not agents of Her Majesty— | | | |
| Canadian National Railway Company—Bonds and notes | 130,500 | 130,500 | |
| Borrowings by other than Crown corporations— | | | |
| From agents— | | | |
| Loans to Indians by the Canada Mortgage and Housing Corporation | | | |
| and the Farm Credit Corporation, for on-reserve housing | 575,000,000 | 69,801,943 ^[4] | 0.5 |
| From other than agents— ^[5] | | | |
| Guarantee programs of the Government— | | | |
| Canada Student Loans Act | 6,064,654,494 | 2,842,770,565 | 2.8 |
| Small Businesses Loans Act | 936,562,705 ^[6] | 471,248,260 | 5.4 |
| Farm Improvement Loans Act and Farm Improvement and | 441 | | |
| Marketing Cooperatives Loans Act | 355,030,296 ^[6] | 158,078,242 | 1.0 |
| Atlantic Enterprise Program | 152,215,218 | 152,215,218 [7] | 0.1 |
| Enterprise development program and Canadian Industrial Renewal Board | 967,080,282 | 10,371,832 [8] | 12.9 |
| Fisheries Improvement Loans Act | 21,692,999 ^[6] | 7,366,073 | 12.3 |
| Advance Payments for Crops Act | 400,000,000 | 4,758,635 | 0.1 |
| Regional Development Incentives Act | 20,704,075 | 3,244,033 | 33.0 |
| Loans to Indians by approved lenders for on-reserve housing | 171 | 438,894,865 [4] | 0.1 |
| Financial obligations incurred by air carriers regarding purchase of | | [10] | |
| The de Havilland Aircraft of Canada, Limited DHC-7 and DHC-8 aircraft | 917,375,000 [10] | 432,588,282 [10] | |
| Indian economic development | 33,984,142 [11] | 3,865,872 [4] | 9.3 |
| Loans to promote the commercial activities of Eskimos | 5,000,000 | · · | |
| | 9,874,299,211 | 4,525,401,877 | |

TABLE 11.11

STATEMENT OF CONTINGENT LIABILITIES AS AT MARCH 31, 1990—Continued

| | Authorized limit (where applicable) ^[1] | ÷ Contingent liability ^[2] | Percentage of net claims to outstanding guarantees (where applicable) ⁽³⁾ |
|---|---|--|--|
| | \$ | \$ | % |
| Other explicit loan guarantees— | | | |
| Loans to NewGrade Energy Inc to finance construction of a heavy oil upgrader | 275,000,000 | 265,891,988 | |
| by Ridley Terminals Inc | 230,000,000 | 199,500,000 | 4 |
| Loans to Marine Industries Limited for acquisition of assets | 55,000,000 | 42,000,000 | |
| making facility at Sault Ste Marie, Ontario | 15,000,000 | 15,000,000 | |
| Loans for the restructuring of Maislin Industries Ltd | 9,940,750 [10] | 9,940,750 [10](1) | 100 |
| protection and radio-telecommunication systems | 403,750 | 403,750 | |
| Co-operative Society Ltd | 360,000 | 107.632 | and the latest to the latest t |
| | 585,704,500 | 532,844,120 | |
| Insurance programs of the Government—[14] | | | - |
| Insurance against accidents at nuclear installations under | | | |
| the Nuclear Liability Act ^[15] Insurance under the Fishing Vessel Insurance Plan ^[16] | 675,000,000 | 663,965,979 | |
| Insurance under the Fishing Vessel Insurance Plan (19) Accounts administered for the Government by the Export | 24,163,815 | 368,618,000 | |
| Development Corporation—Insurance and related guarantees | 7,000,000,000 [17] | 54.000.000 | |
| Development Corporation insulative and returned guarantees in the contract of | 7,699,163,815 | 1.086,583,979 | |
| Other explicit guarantees—[18] | , , , , | .,, | |
| Guarantees under the Prairie Grain Advance Payments Act | 95,327,004 | 95,327,004 | [19] |
| Guarantees under the Agricultural Products Cooperative Marketing Act | 38,641,340 | 38,641,340 | 0.1 |
| Guarantee of electricity sales by Yukon Energy Corporation to | | | |
| Curragh Resources Inc | 2,100,000 | 2,100,000 [20] | nathan Para |
| Guarantee to City of Toronto of payment by H&D International Group of 25% of the estimated cost of a proposed pedestrian | | | 11111 |
| bridge connecting Skydome Stadium to Harbourfront Corporation property Guarantees of residual liabilities resulting from the devolution | 500,000 | 500,000 | |
| of Northern Canada Power Commission | | [21] | |
| | 136,568,344 | 136,568,344 | |
| Total explicit guarantees | 18,870,866,370 | 6,351,330,763 | |
| PENDING AND THREATENED LITIGATION COMPREHENSIVE NATIVE LAND CLAIMS | | 10,489,144,065 ^{[10][2]} 1,964,000,000 ^[23] | 2] |
| Sub Total ^[24] | | 18,804,474,828 | 170110 |
| CONTINGENT LIABILITIES OF CONSOLIDATED CROWN CORPORATIONS | | 195,555,000 [25] | |
| Total | | 19,000,029,828 | |
| | | | |

^{11]} The authorized limits indicated in the preceding statement, represent the aggregate total of various types of authorities of Government bodies as stipulated in legislation, legal agreements or other documents that may be in force at any one time.

¹²¹ A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur.

Represents the average percentage over the most recent 5 years of net claims to the average amount of outstanding guarantees for the same period computed as at March 31, 1990. In some situations, where historical data is not readily available, departmental estimates have been used.

^[4] Includes committed guarantees for the following loans to be made: to Indians for on-reserve housing, \$76,776,202 and for Indian economic development, \$806,489. As at the reporting date, no loans had been issued for these amounts.

A letter of comfort has been issued by the Minister of Finance with respect to loan guarantees provided by the Bank of Canada to the Bank for International Settlements. The letter pertains to a short-term bridge financing operation in favour of Venezuela. The Government's potential and actual liability at March 31, 1990 was \$1.200.000 US.

The Act places limits on the maximum amount of guarantee for loans made by eligible lenders over different loan periods. The maximum amount of guarantee by lender is expressed in legislation as a percentage of aggregate loans made to qualified borrowers and varies according to the dollar value range of aggregate loans made by the lender. The authorized limits for given loan periods are included in the figure reported until all qualified loans made by all eligible lenders in the given periods are no longer outstanding, and are not adjusted for loan repayments nor payments made by the Government for guaranteed amounts in which default has occurred.

¹⁷¹ The Atlantic Enterprise Program offers loan insurance on new term loans for the establishment, expansion or modernization of commercial operations in eligible sectors in the Atlantic provinces where the Program is administered by the Atlantic Canada Opportunities Agency (\$124,614,811 as at March 31, 1990) and in the Gaspé Peninsula and Magdalene Islands of Québec where administration of the Program is the responsibility of the Department of Industry, Science and Technology (\$27,600,407 as at March 31, 1990). Industry, Science and Technology also has responsibility for all capital projects in excess of \$20 million.

^[8] Includes \$62,034 attributable to the Canadian Industrial Renewal Board.

TABLE 11.11

STATEMENT OF CONTINGENT LIABILITIES AS AT MARCH 31, 1990—Concluded

- [9] The authorized limit for loan guarantees for on- reserve housing totals \$575,000,000 (as shown above) for loans made by the Canada Mortgage and Housing Corporation, the Farm Credit Corporation and other approved lenders.
- [10] Amount denominated wholly or partially in a foreign currency and translated at the closing rate of exchange as at date of statement.
- [11] The maximum aggregate amount that may be paid or that may have been paid from the Consolidated Revenue Fund (CRF) relative to Indian economic development in previous, current or subsequent years, with respect to all guarantees authorized and granted, is set at \$60 million. As at March 31, 1990, a total of \$26,015,858 has been expended from the CRF leaving a balance of \$33,984,142 available for disbursement.
- [12] Loans under the guarantee have been repaid in full and consequently contingent liability no longer exists.
- [13] Maislin Industries Ltd was placed in receivership on July 11, 1983 and was declared bankrupt on October 19, 1983. To date, the Government has made interim payments totalling \$18,500,000 US to creditors under a guarantee in the amount of \$27,000,000 US. It is anticipated that the Government will be called upon to make a final payment of possibly \$8,500,000 US to settle remaining obligations to creditors when certain issues are settled in US Bankruptcy Court, however the amount cannot be determined at present with any certainty.
- [14] Since 1984, the Canada Mortgage and Housing Corporation (CMHC) has operated the Mortgage Rate Protection Program on behalf of the Government. In return for payment of a premium, CMHC will reimburse homeowners 75% of any increase in monthly mortgage payments, above a deductible, due to higher interest rates at the time of mortgage renewal. As recent mortgage interest rates have been relatively stable, the Program is not widely utilized and loans covered by the Program at March 31, 1990 amounted to only \$911,000 (\$911,000 at March 31, 1989). Premiums collected by CMHC are remitted directly to the Consolidated Revenue Fund (CRF) and obligations are ultimately payable from the CRF. Because of the nature of the Program, it is not possible to estimate the amounts, if any, that might be payable at some future date.
- [15] There have been no claims under the Nuclear Liability Act since its inception in 1970. The Act covers 15 Canadian nuclear installations as at March 31, 1990.
- [16] The Fishing Vessel Insurance Plan is administered by the Government to assist fishermen in meeting abnormal capital losses. A consolidated specified purpose account is credited with all amounts received by way of premiums, recoveries and with advances in accordance with regulations by the Government, such advances not to exceed \$150,000 at any time. The account is debited with refunds of premiums and payments in settlement of third party vessel collision damage claims against fishermen, where the collision involves a vessel insured under the Plan. As at March 31, 1990, the insured value of vessels under the Plan amounted to \$368,618,000; the balance of the account was \$24,013,815 and outstanding claims against the Plan amounted to \$1,250,000.
- [17] The Export Development Act specifies that Export Development Corporation may enter into contracts of insurance, re-insurance, related guarantees and other agreements up to a maximum of \$7 billion, the authorized limit.
- [18] A letter of comfort has been issued with respect to credit grain sales by the Canadian Wheat Board. The letter states that the Government will assume responsibility for the liabilities arising from defaults in payment by countries purchasing Canadian grain on credit. Receivables under this guarantee amounted to approximately \$4.2 billion at March 31, 1990.
- [19] Less than 0.1%.
- [20] The Government has agreed to pay Yukon Energy Corporation up to \$300,000 per year up to March 31, 1997 should electricity sales to Curragh Resources Inc. fall below specified limits.
- [21] Contingent liability no longer exists.
- [22] Includes \$7.7 billion related to native statutory and treaty obligations representing plaintiffs' claims in 73 litigation cases. There are another 120 similar cases for which amounts are not stated in the claims, and for which it is not possible to determine the amounts that may be ultimately payable.
- [23] The Government has 6 comprehensive native land claims under negotiation which is the maximum number that may be negotiated at any one time. Two of these claims are awaiting ratification and one has been agreed to in principle. Should all 3 claims be ratified, and the legislation for the settlement thereof be enacted, the Government of Canada would be liable to pay financial compensation of \$1.4 billion which would come due and payable over a number of years. In addition to the compensation payments, the settlement of these 3 claims would lead to implementation costs, estimated to be \$600 million, over the next ten years.
- [24]Contingent gains. A contingent gain is a potential gain or possible recovery that may become an actuality when one or more future events occur or fail to occur. Two departments reported contingent gains as at March 31, 1990 totalling approximately \$9.5 million.
- [25] In accordance with the Government's significant accounting policies, the contingent liabilities of Crown corporations that rely on Government funding as their principal source of revenue, are consolidated with those of the Government. See Table 5.5 of this volume for further details of contingent liabilities of consolidated Crown corporations.



section 12

1989-90 PUBLIC ACCOUNTS

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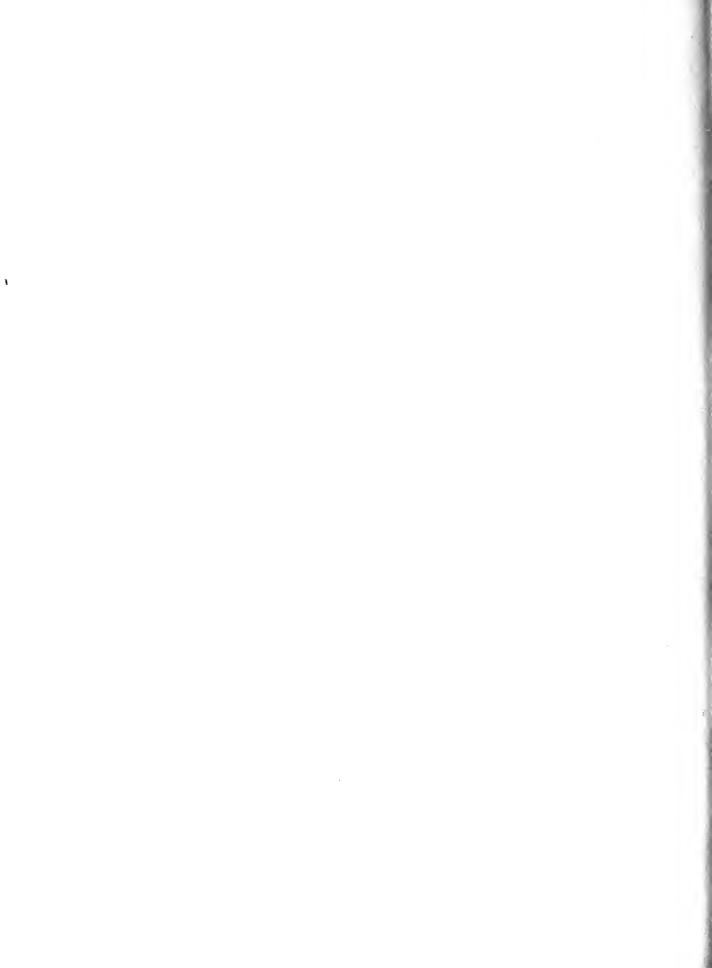
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